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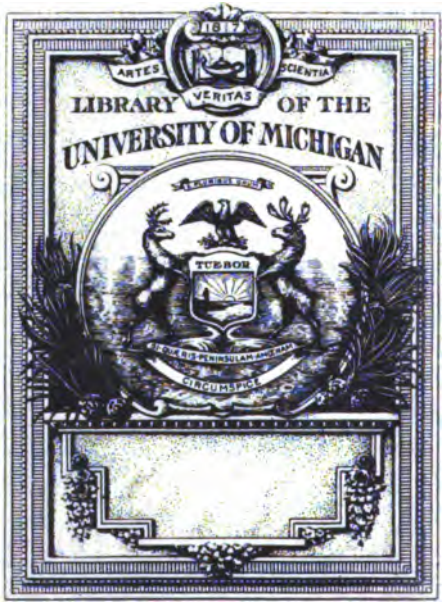
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CHRONICLES AND CHARACTERS

OF THE

STOCK EXCHANGE.

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OF THE

STOCK EXCHANGE:

BY

JOHN FRANCIS.

AUTHOR OF THE

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PREFACE.

To gather the many remarkable incidents connected with the National Debt; to present an anecdotical sketch of the causes which necessitated, and the corruptions which increased it; to reproduce its principal characters; to detail the many evils of lotteries; to relate the difficulties in the early history of railways; to popularize those loans, of which the Poyais with its melancholy tragedy, and the Greek with its whimsical transactions, were such striking exemplars; and to group these subjects around the Stock Exchange, is the object of a portion of the present volume.

Any work which tends to familiarize the origin and progress of the National Debt, which shows that it was raised for no idle cause, and increased for no trifling purpose, may be useful in the consideration of that encumbrance which must, sooner or later, be reduced or repudiated.

The volume does not profess to be statistical—there are abundant works of a financial kind upon the subject. Mr. Van Sommer's valuable Tables, to which the writer acknowledges his obligations, and which, with Mr. Wilkinson's Law of the Public Funds, should be possessed by every member of the Stock Exchange; the works of Mc Culloch, of Hamilton, of Grellier, of Fenn, render such a production unnecessary. The present volume is a popular narrative of the money power of England, intended to be at once interesting and suggestive.

Shooter's Hill.

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CHRONICLES & CHARACTERS

OF THE

STOCK EXCHANGE.

CHAPTER I.

ANCIENT MODE OF SUPPORTING GOVERNMENTS — IGNORANCE OF POLITICAL ECONOMY — MERCANTILE GREATNESS — EARLY SUPPLIES — TULIP MANIA — ACCESSION OF WILLIAM.

THE national debt has been designated by some a national nuisance: by others it has been termed a national necessity. In the earlier history of the world, when war was a war for dominion, and spoliation followed conquest, the victor returned rich with the treasures of conquered states, and his captive paid trebly the expenses of the war. It was thus that the mistress of the world became an emporium for the gathered wealth of temples, for the gorgeous ornaments of a subdued

aristocracy, and for the gold which had filled the treasury of barbarous but luxurious nations. These accumulations, together with annual tributes, prevented the formation of a public debt. The Goth, when he poured from his barren recesses upon the cultivated plains of Italy, ignorant of political economy as a science, felt it as a principle, and more than repaid the expenses of his foray by exacting the riches of imperial Rome. Modern Europe teaches us to similar purport; and Napoleon, in those wars which to some a memory, are to others history, acted upon the same plan, and made Paris a receptacle for the spoil of many nations.

In the early annals of England, the feudal system prevented the creation of a national debt. The Saxon serf was compelled to follow the banner of his Norman master. The Norman baron, at the command of his sovereign, called his followers to the field, and having, if successful, enriched himself, retraced his path to his mountain fastness and his island home. In these rude ages the art of levying money was unknown; and victorious armies were often dispersed for want of funds. The conqueror of Pavia was compelled to disband 24,000 men because he could not raise taxes to support them; and it is a suggestive fact, that when, during

the reign of the third Henry, it was necessary to procure £50,000, and a tax of £1 2s. 4d. was levied on each parish in England, it only produced about £9,500, there being but 8,500 parishes; so ignorant were the authorities of the very machinery of the state they governed.

From a very early period, the mercantile capacity of England has been developed; and her insular position, which at once suggested and favoured commerce, was taken advantage of by laymen and churchmen. Bishops entered into speculations in herrings, and abbots did not disdain to unite the smuggling with a more saintly calling. But there were other and more legitimate followers of that pursuit which has since made the name of an English merchant a symbol of English greatness. Among these William de la Pole stands prominently forward, and the founder of the house of Suffolk is familiar to the student of commercial history. William Canyng—that name so intimately connected with the fortunes of "the marvellous boy who perished in his pride"—and Richard Whittington, dear to household memories, and the founder of many princely charities—were others, whose munificence was only surpassed by their wealth.

A slight sketch of the tyranny and injustice employed by our earlier monarchs in the production of revenue, may not be unamusing to the readers of the present volume. The records of the Exchequer prove that barbaric acts were performed to obtain money; that justice was openly bought and sold; that the supreme judicature of the country could only be approached by bribes to the monarch. The county of Norfolk paid a large sum to Henry I. to secure fair dealing. Yarmouth paid heavily, to prevent a king from violating his own charter. Commerce was controlled, and trade was harassed. Corporations and monopolies were created at the monarch's pleasure; and, as nothing was too small to escape his notice, so nothing was too large to escape his grasp. The wife of Hugh de Neville paid two hundred hens to enjoy the society of her husband twelve hours in prison; and an abbot paid largely for permission to secure his wood from being stolen. To mitigate the king's anger, or obtain the king's services, money was equally necessary. When Peer and Prior were sufficiently strong to resist, or sufficiently poor to escape, the Farmer and the Peasant were visited. The approach of the Court was like the approach of the plague; and men ran to

conceal their effects and their persons until the royal plunderer had passed.

Extraordinary emergencies caused extraordinary expenses; and the call to arms which resounded throughout Europe when Peter the Hermit preached deliverance to the captive Sepulchre, was responded to by Richard I. with the vehemence and energy of his character. To compass his aim he mortgaged the customs and he farmed the revenues. He exacted money from his subjects in proportion to their wealth; and declared he would sell London itself rather than forego his cherished object. He feigned the loss of his signet, to procure fees; and, to crown all, resumed on his return the property he had previously sold, on the pretence that he had no right to alienate it.

King John adopted the notable plan of imprisoning the mistresses of the priests, confident that the money he could not obtain from their cupidity he would from their lust. Henry III. seized the merchandise of his subjects, and borrowed a large sum besides, for which he paid a high interest, and which the Parliament refused to discharge. Edward I. seized the money and plate of monasteries and churches, feigned a voyage to the Holy Land, and, when funds

were collected to aid him, kept the money, and refused to go. Edward III. erected monopolies, exacted loans, levied arbitrary fines, imposed arbitrary taxes, and, notwithstanding the determined remonstrances of the Commons, claimed the right of doing so at pleasure.

Richard II. pawned the jewels of the Crown, sold the furniture of the Palace, went from place to place in the fashion of one soliciting alms, and was deposed partially because he extorted large sums which he never repaid. The reign of Henry V., brilliant as it was, would have proved yet more so, had an authorised mode of raising supplies been then organised. Although he took from all quarters, sold his jewels, and borrowed on the security of his Crown, he was often compelled to stop in a career of the most splendid success for lack of money. Edward IV. was called the handsomest tax-gatherer in his kingdom; and when he kissed a widow because she gave more than he expected, it is said she doubled the amount, in expectation of a second kiss. Henry VII. adopted all modes and methods; and, having levied a benevolence, made a large claim on those who lived frugally, because they must have saved by their frugality; while, if they lived splendidly, they were dealt with as opulent. It

must, however, be recorded of this monarch that he lent money, without interest, to many merchants whose capital was not sufficient for their commercial operations. When the eighth Henry attempted to raise a forced loan of unusual amount, with unusual rigour, the people said, if they were treated thus, "England was bond, and not free." The county of Suffolk rose in arms; and had not even this man's stubborn spirit quailed before it, the resistance would have changed into rebellion. No sooner had the monarch exhausted all Parliamentary supplies, than he carried out on a grand scale the robberies he had often achieved on a small one, by seizing the accumulated property of the monastic classes. In 1522, he required a general loan of 10 per cent. upon all property from £20 to £300, and a higher rate on larger sums. By courtesy, it was termed a loan; but when, seven years afterwards, a subservient Parliament acquitted him of all obligation to pay it, a harsher name was recorded in the minds, than the tongues of the people dared to express.

To the English sovereign a certain power over commerce had always been entrusted; but Elizabeth stretched her prerogative, and granted monopolies by

scores. Prices rose enormously, and the evil was felt by every family in the realm. The House of Commons remonstrated: when a long list of patents for monopolies was read, one sturdy member demanded —"Is not bread there?" "Bread!" quoth one; "Bread!" cried another. "Yea, bread!" said Mr. Hackwell; "for, if care be not taken, bread will be there before next Parliament." Nor was this all: the coach of the chief minister was surrounded by the populace; menacing murmurs were heard cursing patents; and indignant voices declared that the old liberties of England should not be encroached on by new prerogatives. With admirable sagacity, the queen saw the necessity of yielding, and did it while she could with grace and dignity. But this sovereign improved upon the plans of her predecessors: she kept the temporalities of bishoprics in her own hands for years, and appropriated the landed property of sees. Under the name of New Year's gifts, she extorted large sums from the frequenters of the Court; she ordered companies to lend her money—to borrow, if they did not possess it—and, if she had more than she required, she would return part, provided they would pay her interest for that on which she paid them nothing. To the

citizen of the 19th century, this must appear a fable; but it is a recorded fact, that Elizabeth borrowed money from the citizens, found she had more than she required, and, instead of repaying it, re-lent it to them at 7 per cent. on the security of gold and silver plate.

Charles I. seized the money of his merchants; and his bonds were hawked about the streets, were offered to people as they left church, and sold to the highest bidder. The Commonwealth were debtors, on the security of the forfeited estates. Charles II. took money from France, shut up the Exchequer, borrowed from his friends, and did anything rather than run the risk of being again sent on his travels. Thus, it would seem, the exchequer of the earlier monarchs was in the pockets of the people; that of Henry VIII. in the suppressed monasteries; Elizabeth in the corporations; and Charles II. wherever he could find it.

The abdication of James II. and the arrival of William III. form an era in the history of the monetary world. The plans adopted by the latter to crush the power of France, and raise the credit of England, were the commencement of that great accumulation known as the National Debt, and the origin, though remote, of

that building celebrated throughout Europe as the Stock Exchange. The rapid sketch now presented of the mode in which money was supplied confirms the remark of Mr. Macaulay, that "there can be no greater error than to imagine the device of meeting the exigences of the State by loans was imported into our island by William III. From a period of immemorial antiquity, it had been the practice of every English Government to contract debts. What the Revolution introduced was the practice of honestly paying them."

The earliest instance of that fatal love of speculation, so ruinous to the character and credit of all who possess it, occurred in 1634; and the history of the Tulip mania in Holland is as instructive as that of any similar period. In the above year, the chief cities of the Netherlands engaged in a traffic which destroyed commerce and encouraged gambling, which enlisted the greediness of the rich and the desire of the poor, which raised the value of a flower to more than its weight in gold, and which ended, as all such periods have ended, in wild and wretched despair. The many were ruined, the few were enriched; and tulips were as eagerly sought in 1634, as Railway Scrip in 1844, The speculation was conducted on similar principles.

Bargains were made for the delivery of certain roots; and when, as in one case, there were but two in the market, lordship and land, horses and oxen, were sold to pay the deficiency. Contracts were made, and thousands of florins paid for Tulips, which were never seen by broker, by buyer, or by seller. For a time, as usual, all won, and no one lost. Poor persons became wealthy. High and low traded in flowers; sumptuous entertainments confirmed their bargains; notaries grew rich; and even the unimaginative Hollander fancied he saw a sure and certain prosperity before him. People of all professions turned their property into cash; houses and furniture were offered at ruinous prices; the idea spread throughout the country that the passion for Tulips would last for ever; and when it was known that foreigners were seized with the fever, it was believed that the wealth of the world would concentrate on the shores of the Zuyder Zee, and that poverty would become a tradition in Holland. That they were honest in their belief is proved by the prices they paid; and the following list shows that the mania must indeed have been deep, when goods to the value of 2,500 florins were given for one root:—

2 Lasts of Wheat	448 florins.
4 ditto Rye	558
4 Oxen	480
8 Swine	240
12 Sheep	120
2 Hogsheads of Wine	70
4 Tons of Beer	32
2 Tons of Butter	192
1000 Lbs. of Cheese	120
1 Bed	100
1 Suit of Clothes	80
1 Silver Beaker	60

Another species commonly fetched two thousand florins; a third was valued at a new carriage, two grey horses, and a complete harness. Twelve acres of land were paid for a fourth; and 60,000 florins were made by one man in a few weeks. But the panic came at last. Confidence vanished; contracts were void; defaulters were announced in every town of Holland; dreams of wealth were dissipated; and they who, a week before, rejoiced in the possession of a few Tulips which would have realized a princely fortune, looked sad and stupified on the miserable bulbs before them, valueless in themselves, and unsaleable at any price. To parry the blow, the Tulip merchants held public meetings, and made pompous speeches, in which they proved that their goods were worth as much as ever, and that a panic was absurd and unjust. The speeches

produced great applause, but the bulb continued valueless; and, though actions for breach of contract were threatened, the law refused to take cognizance of gambling transactions. Even the wisdom of the Deliberative Council at the Hague was at fault, and to find a remedy was beyond the power of the Government. Many years passed before the country recovered from the shock, or commerce revived from the depression which followed the Tulipomania; and which, not confined exclusively to Holland, visited London and Paris, and gave a fictitious importance to the Tulip in the two greatest capitals of the world.

CHAPTER II.

THE EARLIEST NATIONAL DEBT—HISTORY OF TONTINES—OF THE MONEY INTEREST, ITS ORIGIN, EXTRAVAGANCE, AND FOLLY—ROYAL EXCHANGE—FIRST IRREDEEMABLE DEBT—TRICKS OF THE BROKERS—JOBBING IN EAST INDIA STOCK—FALSE REPORTS—IMPORTANCE OF THE ENGLISH FUNDS—PICTURE OF THE ALLEY—SYSTEMATIC JOBBING OF SIR HENRY FURNESE, MEDINA, AND MARLBOROUGH—THOMAS GUY, A DEALER IN THE ALLEY.

THE creation of a national debt has been attributed to the Dutch, but is really due to the Venetians. The immediate treasury of the Doge was exhausted; money was necessary; and the most eminent citizens of that great republic were called upon to redeem the credit of their country. A Chamber of Loans was established, the contributors were made creditors, 4 per cent. was allowed as interest; and she

> "Who once held the gorgeous East in fee,
> And was the safeguard of the West,"

resumed her credit, and increased her power.

So fruitful a source of wealth was not allowed to fall

into desuetude. The Florentine republic, experiencing a deficiency in her revenue, established a mount, allowed 5 per cent. interest, and, says Sir William Blackstone, these laid the foundation of our national debt. The Dutch were not long following the example. When that great persecution occurred which forced the Spanish Jew—the aristocracy of the chosen race—from the place of his nativity, he brought with him to Holland the craft and the cunning of the people. He taught the Dutch to create an artificial wealth; and the people of that republic, by its aid, maintained an attitude of independence, which rendered them so long the envy and the hatred of the proud States which surrounded their territory. Their industry increased with the claims upon them. They cultivated their country with renewed perseverance; they brought the spices of the rich and barbarous East to the shores of the cultivated and the civilized West; they opened new sources of profit; their merchant vessels covered the waters; their navy was the boast of Europe; their army was the scourge of the great Louis in the height of his pride and power. The markets of Holland evinced a full activity; the towns of Holland increased in importance; and the capital of Holland became the centre of Euro-

pean money transactions, partly in consequence of the great bigotry which banished the Jew from Spain.

When, therefore, the chief of that small yet powerful republic was called to sit upon an English throne, he brought with him many of those whose brains had contrived and whose cunning had contributed to produce these great changes; and from his reign, whatever evils may have arisen from a reckless waste of money, there commenced that principle which, for a century and a half, has operated on the fortunes of all Europe,—which proclaimed that, under every form and phase of circumstance, in the darkest hour of gloom as in the proudest moment of grandeur, the inviolable faith of England should be preserved towards the public creditor. Up to this period, the only national debt on which interest was acknowledged was that sum which had been seized on in the Exchequer; and even these dividends were irregularly paid. Many debts had been incurred by our earlier kings, but all the promises and pledges which had been given for their redemption were broken directly the money was gained; and it remained, we repeat, for William, whatever his errors may have been, to establish the principle that faith to the public creditor must be inviolate.

The reign of William was productive of all modes and methods of borrowing. Short and long annuities, annuities for lives, tontines, and lotteries, alike occupied his attention. The former are still in existence, the two latter have fallen to decay. The lotteries have been expunged from the Statute-book, and their evils will be fully developed at a fitting period; while to the brain of a Neapolitan, and the city of Paris, William was indebted for the knowledge of the tontine. Lorenzo Tonti, in the middle of the seventeenth century, with the hope of making the people of France forget their discontents in the excitement of gambling, suggested to Cardinal Mazarin the idea of annuities, with the benefit to the survivors of those incomes which fell by death. The idea was approved by the cardinal and allowed by the court. Parliament, however, refused to register the decree, and the scheme failed. Tonti again endeavoured to establish a society on this plan, and to build by its means a bridge over the Seine; but the unfortunate inventor christened it Tontine, and not a man in Paris would trust his money to a project with an Italian title. A complete enthusiast, he allowed Paris no rest on his favourite theme, and proposed to raise money for the benefit of

the clergy in the same way. The assembly reported on the scheme, and the report contained all that could flatter the projector's vanity, but refused a permission to act on it; and again it was abandoned. The idea, however, which could not be carried out for the people, which was refused for the benefit of the city, and not allowed for the clergy, was claimed as a right for the crown; and in 1689, Louis XIV. created the first tontine to meet his great expenses. From this period they became frequent; and William was too determined to humble the pride of his rival, not to avail himself of this among other modes of raising funds.*

The monied interest—a title familiar to the reader of the present day—was unknown until 1692. It was then arrogated by those who saw the great advantage of entering into transactions in the funds for the aid of government. The title claimed by them in pride was employed by others in derision: and the purse-proud importance of men grown suddenly rich was a common source of ridicule.

Wealth rapidly acquired has been invariably detri-

* The tontine is simply a loan raised on life annuities. In consideration of a certain amount paid by a certain number of persons, government grants to each a life annuity. As the annuitants die, their shares are divided among the survivors, until the annuity granted to the whole becomes centred in the longest liver; at his death the transaction ceases.

mental to the manners and the morals of the nation, and in 1692 the rule was as absolute as now. The monied interest, intoxicated by the possession of wealth, which their wildest dreams had never imagined; and incensed by the cold contempt with which the landed interest treated them, endeavoured to rival the latter in that magnificence, which was one characteristic of the landed families. Their carriages were radiant with gold; their persons were radiant with gems; they married the poorer branches of the nobility; they eagerly purchased the princely mansions of the old aristocracy. The brush of Sir Godfrey Kneller, and the chisel of Caius Cibber, were employed in perpetuating their features. Their wealth was rarely grudged to humble the pride of a Howard or a Cavendish; and the money gained by the father was spent by the son in acquiring a distinction at the expense of decency. They were seized upon by the satirist and the dramatist as a new object of ridicule; and under various forms they have become a stage property. The term which they had chosen to distinguish them became a word of contempt; and the monied class was at once the envy and the laugh of the town. Nor was it until that interest became a great and most important one,

that the term assumed its right meaning, or that the monied contended with the landed interest on a more than equal footing. The former have always clung to the house of Brunswick; the latter have often used their exertions against it. In time, however, the monied became a landed interest, and vied in taste as well as magnificence with the proudest of England's old nobility. Among these was Sir Robert Clayton, director of the Bank, whose banquetting-room was wainscoted with cedar, whose villa was the boast of the Surrey hills, whose entertainments imitated those of kings, and whose judicious munificence made him the pride of that great city to the representation of which he was called by acclamation. But there were other and less reputable directors of the great Bank; and a pamphlet, published shortly afterwards, drew public attention to acts which either prove that morality in one commercial age is immorality in the next, or that some of the governors of the corporation were wofully deficient in the organ of conscientiousness.

In the Royal Exchange, erected for less speculative and more mercantile pursuits, were the early transactions of the monied interest in the funds carried on.

In 1695, its walls resounded with the din of new projects; nor could a more striking scene be conceived than that presented in the area of this building. The grave Fleming might be seen making a bargain with the earnest Venetian. The representatives of firms from every civilized nation—the Frenchman with his vivacious tones, the Spaniard with his dignified bearing, the Italian with his melodious tongue—might be seen in all the variety of national costume; and the flowing garb of the Turk, the fur-trimmed coat of the Fleming, the long robe of the Venetian, the short cloak of the Englishman, were sufficiently striking to attract the eye of the painter to a scene so varied. There, too, the sober manner of the citizen formed a strong contrast to the courtier, who came to refill his empty purse: and there also, as now, might be seen the broken-down merchant, pale, haggard, and threadbare, haunting the scene of his former glory, passing his now valueless time among those who scarcely acknowledged his presence, and as he had probably dined with Duke Humphrey, supped with Sir Thomas Gresham.

"Trampling the Bourse's marble twice a day,
Though little coin thy purseless pockets line,
Yet with great company thou art taken up,
For often with Duke Humphrey dost thou dine,
And often with Sir Thomas Gresham sup."

A new impulse had been given to trade, and the nation was beginning to feel the effect of the revolution. William had already tried his power in the creation of a national debt: jobbing in the English funds and East India Stock succeeded; and the Royal Exchange became—what the Stock Exchange has been since 1700—the rendezvous of those who, having money, hoped to increase it, and of that yet more numerous and pretending class, who, having none themselves, try to gain it from those who have.

The charter granted by William to the Corporation of the Bank of England is the first instance of a debt bequeathed to posterity. Annuities had hitherto been the mode of raising supplies; and the day therefore which witnessed the establishment of the Bank is worthy of notice, as being also the day on which William laid the foundation of an irredeemable national debt.

It was soon found that the duties appropriated to the various payments of interest and annuities were insufficient to meet the claims. In 1697, the national debt amounted to twenty millions, and the revenue was deficient five millions. The payment in consequence grew uncertain, and the monied men of the

day, watching the course of events, made large sums out of the distresses of government. "The citizen," says an old writer on the subject, "began to decline trade and turn usurer."

To prevent this, a law was passed against the stock-brokers and jobbers, which limits the number of the former, enacts some severe regulations, and makes some severe remarks upon the entire body.

At this period the broker had a walk upon the Royal Exchange devoted to the funds of the East India and other great corporations; and many of the terms now in vogue among the initiated arose from their dealings with the Stock of the East India Company. Jobbing in the great chartered corporations was thoroughly understood. Reports and rumours were as plentiful then as now. No sooner was it known that one of the fine vessels of the India Company, laden with gold and jewels from the East, was on its way, than every method was had recourse to. Men were employed to whisper of hurricanes which had sunk the well-stored ship; of quicksands which had swallowed her up; of war which had commenced when peace was unbroken; or of peace being concluded when the factories were in the utmost danger. Nor

were the brains of the speculators less capable than now. If at the present day a banker condescends to raise a railway bubble 50 per cent., the broker of that day understood his craft sufficiently to cause a variation in the price of East India Stock of 263 per cent.; and complaints became frequent that the Royal Exchange was perverted from its legitimate purpose, and that the jobbers—the term was applied ignominiously—ought to be driven from a spot polluted by their presence. Mines of gold, silver, and copper, were so temptingly promised, that the entire town pursued the deception. Tricks and stratagems were plentiful; the wary made fortunes, and the unwary were ruined.

In 1698, the dealers and jobbers in the funds and share market, annoyed by the objections made to their remaining in the Royal Exchange, and finding their numbers seriously increase, deemed it advisable to go to 'Change Alley, as a large and unoccupied space, where they might carry on their extensive operations.

"The centre of jobbing is in the kingdom of 'Change Alley and its adjacencies," said a pamphleteer a few years after. "The limits are easily surrounded in about a minute and a-half. Stepping out of Jonathan's into the Alley, you turn your face full south; moving

on a few paces, and then turning due east, you advance to Garraway's; from thence, going out at the other door, you go on still east into Birchin Lane; and then, halting a little at the sword blade bank, you immediately face to the north, enter Cornhill, visit two or three petty provinces there on your way to the west; and thus having boxed your compass, and sailed round the stock-jobbing globe, you turn into Jonathan's again."

The English funds were assuming a greatness they have ever since maintained. The Hebrew capitalist, who came over with William, had increased the importance of the jobbers by joining them. The English merchant—even at this early period—found that money might be gained in the new operation; and 'Change Alley, so well known in parliamentary debates and the correspondence of the time as "the Alley," was for a century the centre of all dealings in the funds. Here assembled the sharper and the saint; here jostled one another the Jew and the Gentile; here met the courtier and the citizen; here the calmness of the gainer contrasted with the despair of the loser; and here might be seen the carriage of some minister, into which the head of his broker was

anxiously stretched to gain the intelligence which was to raise or depress the market. In one corner might be witnessed the anxious, eager countenance of the occasional gambler, in strong contrast with the calm, cool demeanour of the man whose trade it was to deceive. In another the Hebrew measured his craft with that of the Quaker, and scarcely came off victorious in the contest; while in one place, appropriated to him, stood the founder of hospitals, impressing with eagerness upon his companion the bargain he was about to make in seamen's tickets.

It was soon felt practically that the air of England is cold and its climate variable. The more respectable among the jobbers, therefore, gathered beneath the walls of one of those coffee-houses which formed so marked a feature of London life in the eighteenth century, until the chance became a customary visit, and the coffee-house known as Jonathan's became the regular rendezvous of all the dealers in Stock, and consequently the scene of transactions as extensive as any the world ever witnessed.

In 1701, the character of those who met in 'Change Alley was not very enviable. It was said, and said truly, that they undermined, impoverished, and de-

stroyed all with whom they came in contact. "They can ruin men silently," says a writer of the period, with great vehemence; "undermine and impoverish, fiddle them out of their money, by the strange, unheard-of engines of interest, discount, transfers, tallies, debentures, shares, projects, and the devil and all of figures and hard names."

Everything which could inflate the hopes of the schemer, were brought into operation by the brokers. If shares were dull, they jobbed in the funds, or tried exchequer bills; and if these failed, rather than remain idle, they dealt in bank-notes at 40 per cent. discount. These new modes of gambling seized upon the town with a violence which sober citizens could scarcely understand. Their first impulse was to laugh at the stories currently circulated, of fortunes lost and won; but when they saw men who were yesterday threadbare pass them to-day in their carriages—when they saw wealth, which it took their plodding industry years of patient labour to acquire, won by others in a few weeks—unable to resist the temptation, the greatest of the city merchants deserted their regular vocations and speculated in the newly-produced stocks. "The poor English nation," says a writer, "run a madding

after new inventions, whims, and projects; and this unhappy ingredient my dear countrymen have in their temper—they are violent, and prosecute their projects eagerly."

No sooner had the members of the jobbing community taken their quarter in 'Change Alley, than the City of London was seized with alarm, and tried to keep the brokers at the Royal Exchange. They grew indignant at their deserting so time-honoured a place, and bound them in pains and penalties not to appear in 'Change Alley. Pocket, however, triumphed over prerogative; brokers resorted where bargains were plentiful; 'Change Alley grew famous throughout England: but it was not till nearly a century and a quarter after its first transaction, and a quarter of a century after 'Change Alley ceased to exist as a sphere for the stock-jobbers, that the ancient and useless provision not to assemble in 'Change Alley was expunged from the broker's bond.

Among those who employed their great fortunes in the manner alluded to was Sir Henry Furnese, a Director of the Bank of England. Throughout Holland, Flanders, France, and Germany he maintained a complete and perfect train of intelligence.

The news of the many battles fought at this period was received first by him, and the fall of Namur added to his profits, owing to his early intelligence. On another occasion he was presented by William with a diamond ring, as a reward for some important information, and as a testimony of this monarch's esteem. But the temptation to deceive was too great, even for this gentleman. He fabricated news; he insinuated false intelligence; he was the originator of some of those plans which at a later period were managed with so much effect by Rothschild. If Sir Henry wished to buy, his brokers were ordered to look gloomy and mysterious, hint at important news, and after a time sell. His movements were closely watched; the contagion would spread; the speculators grew alarmed; prices be lowered 4 or 5 per cent.—for in those days the loss of a battle might be the loss of a crown—and Sir Henry Furnese would reap the benefit by employing different brokers to purchase as much as possible at the reduced price. Large profits were thus made; but a demoralizing spirit was spread throughout the Stock Exchange. Bankrupts and beggars sought the same pleasure in which the millionaire indulged, and often with similar success.

The wealthy Hebrew, Medina, accompanied Marlborough in all his campaigns; administered to the avarice of the great captain by an annuity of six thousand pounds per annum; repaid himself by expresses containing intelligence of those great battles which fire the English blood to hear them named; and Ramilies, Oudenarde, and Blenheim, administered as much to the purse of the Hebrew as they did to the glory of England.

In the midst of these excitements arises a name which, to the dwellers in London, is well known Thomas Guy, the bible contractor, was a frequenter of 'Change Alley; and here, duly and daily, might be seen that figure, which the gratitude of his fellow men has rendered familiar in the statue raised to his memory.

CHAPTER III.

ENORMOUS BRIBERY BY WILLIAM—INCREASED TAXATION—SPEECH OF SIR CHARLES SEDLEY—WRONGS OF THE SOLDIERS—DEFENCE OF WILLIAM—MORAL DISORGANIZATION OF THE COUNTRY—FIRST EXCHEQUER BILL FRAUD—FIRST FOREIGN LOAN—ROMANTIC FRAUD IN 1715—POLITICAL FRAUD OF 'CHANGE ALLEY—INTERFERENCE OF THE HOUSE OF PEERS—FIRST HOAX.

THE parliamentary records of William's reign are curious. The demands which he made for money, the hatred to France which he encouraged, and the frequent supplies he received, are remarkable features in his history. Every art was employed; at one time a mild remonstrance, at another a haughty menace, at a third the reproach that he had ventured his life for the benefit of the country. The bribery during this reign was the commencement of a system which has been very injurious to the credit and character of England. The support of the members was purchased with places, with contracts, with titles, with promises, with portions of the loans, and with tickets

in the lottery. The famous axiom of Sir Robert Walpole was a practice and a principle with William; he found that custom could not stale the infinite variety of its effect, and that, so long as bribes continued, so long would supplies be free. Exorbitant premiums were given for money; and so low was public credit, and so great public corruption, that of 5 millions granted to carry on the war, only 2½ millions reached the exchequer. Long annuities and short annuities, lottery tickets and irredeemable debts, made their frequent appearance; and the duties, which principally date from this period, were most pernicious. The hearth tax was nearly as obnoxious as the poll tax. The custom and excise duties were doubled. The hawker and the Hackney coach driver, companies and corporations, land and labour, came under his supervision. Births, burials, and bachelors were added to the list, and whether a wife lost a husband, or whether a widow gained one, the effect was alike. Beer and ale, wine and vinegar, coal and culm, all contributed to the impoverished state; and although some who looked back with regret occasionally indulged their spleen, the general tone of the parliament was submissive. Still there were times when the truth

was spoken; and truths like the following were unpleasant:—

"We have provided," said Sir Charles Sedley, "for the army; we have provided for the navy; and now we must provide for the list. Truly, Mr. Speaker, 'tis a sad reflection that some men should wallow in wealth and places, while others pay away in taxes the fourth part of their revenue. The courtiers and great officers feel not the terms, while the country gentleman is shot through and through. His Majesty sees nothing but coaches and six, and great tables, and therefore cannot imagine the want and misery of the rest of his subjects. He is encompassed by a company of crafty old courtiers."

The corrupt transactions which tended so greatly to increase the national debt are very remarkable. The assembled commons declared in a solemn vote, "it is notorious that many millions are unaccounted for." Mr. Hungerford was expelled from the lower house for accepting a bribe of £21; and the Duke of Leeds impeached for taking one of 5500 guineas. The price of a speaker—Sir John Trevor—was £1005, and the secretary to the treasury was sent to the Tower on suspicion of similar practices. Money receivers lodged

great sums of public money with the goldsmiths at the current interest. Others lent the exchequer its own cash in other persons' names; and out of 46 millions raised in 15 years, 25 millions were unaccounted for. The commissioners of Hackney-coaches were accessible, and peculation in the army was discovered by a chance petition of the dwellers in a country town. By this it appeared that the inhabitants of Royston in Hertfordshire had large claims made upon them for money, by colonels, captains, and cornets, in addition to the food and lodging which was their due. A few independent members took up the question; the public supported them; and at this juncture a book was delivered at the lobby of the house, which asserted that the public embezzlement was as enormous as it was infamous, and that the writer was prepared to make discoveries which would astonish the world. The offer was accepted; a searching inquiry was made, and defalcations were discovered so great, that all wonder ceased at the increase of the national debt, and at the decrease of the national glory. The abuses in clothing the army were plain and palpable. The agents habitually detained the money due to the soldiers, and used it for their own advantage, or compelled

them to pay so large a discount, that they were in the utmost distress.

The subaltern officers were not better off. Colonel Hastings, afterwards cashiered for the offence, made them buy their raiment of him. If they hesitated, he threatened; if they refused, he confined them. In 1693, an inquiry was made into the application of the secret service money, when great and deserved animadversion was passed upon those through whom it circulated. The power possessed by government under such abuses may be imagined. They were sure of the votes of those who had places and pensions, and they were sure also of the votes of that large class of expectants which always haunts a profuse ministry; and thus "the courtiers," as the ministerial party was long designated, could baffle any bills, quash all grievances, stifle any accounts, and raise any amount of money.

These discoveries inflamed the people, and murmurs that corruption had eaten into the nation became general. Court and camp, city and senate, were alike denounced. The pamphleteers spoke in strong language. "Posterity," said the author of one, termed the Price of the Abdication, "will set an eternal brand of infamy upon those members, who, to obtain either

offices, profitable places, or quarterly stipends, have combined to vote whatever hath been demanded."

It has been the fashion of a certain class to decry William because he founded [the national debt. But the war which he waged was almost a war of necessity, and could not be supported without liberal supplies. There was, however, with William a personal pride in the contest. He had been taught from his boyhood hatred to France, and almost in boyhood had checked the universal dominion aimed at by Louis. With him, therefore, opposition to France was a passion; and he who, at the age of twenty-three, bade defiance to the combined power of the two greatest nations of the modern world, remembered, as soon as he reached the English throne, that proud, though bitter moment, when, surrounded by French force, his people determined to let loose the waters which their skill had confined, and from the homes and hearths of their fathers bear their goods, their fortunes, and their persons, and to erect in a new land the flag they would not see dishonoured in the old. When, therefore, William of Orange became monarch of England, his first thought was the humiliation of France. To this

point he bent the vast energies of England and his own unconquerable will; for this only was his crown valuable, and for this purpose was the power of England strained to the utmost tension.

The importance of France was then at its height. Louis sought to sway the councils of Europe; and whoever else might have succumbed, the statesmen of England had been in his power, and a monarch of England in his pay. He saw, therefore, with dislike which was not attempted to be concealed, the throne mounted by one who was resolved not merely to maintain its ancient greatness, but to quell the power of its ancient rival. Louis sheltered the abdicated king, and encouraged his mock court and his mock majesty. This was sufficient proof of his feeling; nor were other indications wanting: and it is a complete fallacy to suppose that the debt was unnecessarily incurred; in it lay the power of William and the safety of the land.

Had the new king employed the arbitrary mode of levying supplies of the earlier monarchs; had he made forced loans and never repaid them; had he seized upon public money, and wrung the purses of public men, the country might as well have been governed

by a James as a William, and would in all probability have recalled the exile of the unfortunate house of Stuart. The evils of William's reign were in the facts that his power was not sufficiently established to borrow on equitable terms; that the bribery, abuses, and corruption of men in high places increased with their position; and, above all, that instead of paying his debts by terminable annuities, he made them interminable. Lord Bolingbroke declares, that he could have raised funds without mortgaging the resources of the nation in perpetuity, and that it was a political movement to strengthen the power of the crown, and to secure the adherence of that large portion of the people by whom the money had been lent.

The war was necessary, and the contraction of the debt equally so; for, although William engaged in the contest with something like personal pride, it was essentially a national war. A free people had driven away the Stuarts; a despotic king would have forced them back. If ever, therefore, a contest directly interested both subject and sovereign, it was that which created the national encumbrance; and England was fortunate in the man she had chosen to champion

her rights. The contest, which dated from 1688 and ended in 1697, which cost us 20 millions in loans and 16 millions in taxes, was only closed because both nations were fatigued. It produced no great results, no grand achievements, no lasting peace. It did but prove that the strength which had departed from England during the two previous reigns had slumbered, but was not withered. The earlier history was, as many of England's great wars have been, comparatively unsuccessful. The parties into which the nation was divided prevented the unanimity necessary to great deeds. They agreed only in robbing the people. Public principle was with them a public jest. Incapacity and corruption pervaded all branches. By corruption a parliamentary majority was procured, and through incapacity the commerce of the country was decaying. Talent was only employed in devising its own benefit; patriotism was perverted; national virtue was forgotten; and the allies found that on sea and land the enemy had the advantage. The navy was daring, but divided; the admirals were accused of disaffection. While the foe was intercepting our merchandize in the channel, the vessels of England were building in

the docks. On the sea, our own peculiar boast, we were dishonoured; our flag was insulted; and English admirals retreated before French fleets. Ships of war were burnt; merchant vessels were sunk; and a million of merchandise was destroyed.

But the clamour of the people reached her councils. It was said our plans were betrayed to the enemy; treachery was justifiably suspected; and all who are familiar with the period will join the writer in thinking it not only possible, but probable.

During these trials the spirit of William remained unchanged; and, rejecting all overtures from France, he exhibited to the world the soldiership for which he was remarkable. At Namur he fought in the trenches, eat his dinner with the soldiers, animated them with his presence, shared their dangers, and won their hearts. Namur capitulated, and the scene changed. The French power was shaken in Catalonia; its coasts were assailed; its people were suffering, and Louis whose great general was dead, was sufficiently humbled to renew his proposals for peace, which, after nine years war, costing Europe 480 millions of money and 800,000 men, was gained by the pacification of Ryswick.

A deep thinker of the present day has said of the war anterior to 1688,—and the argument is supported by that school of which Cobbett was chief,—"The cost happily fell upon those who lived about the time—it was not transmitted to posterity, according to the clever contrivance devised in a more enlightened and civilized age. They spent their own money, and not that of their great grand-children. They did as they liked with their own labour and its results; they did not mortgage the labour of succeeding generations."

Men do not argue thus, ordinarily. The case is very similar to that of a land proprietor mortgaging his estate to defend it from a suit which endangers it. His posterity may regret, but they cannot complain; they know it is better to have the estate partially mortgaged than not to have an estate at all. It seems to the writer similar with the national debts of the reign of William. He was bound to defend the people who had chosen him; war was then, as now, a popular pastime; and William is no more to be blamed that he was not in advance of the time, than the nobles of the present day are to blame because they bring up their younger

sons to be shot at for glory and a few shillings a day, instead of seeing, as their successors will probably see, the anti-progressive and anti-christian nature of the principle thus supported.

The one great evil was, that the difficulty of getting money tempted William to borrow on irredeemable annuities. Had he borrowed only on annuities terminable in a century, he would have attained his money at a little extra cost, but the pressure on the people would have decreased year by year, the credit of the government have increased, and the discontent of the nation been less.

If, however, any blame be attached to the government of William, how much greater must be .that which is attached to succeeding ministries. They knew, for they felt the evil of perpetual debts. Sir Robert Walpole said, when the nation owed 100 millions it would be ruined; but he, and those who preceded with those who followed him, persisted in neglecting the only principle of action which could save the country. It is the misfortune of governments to abide by that which is only venerable from its antiquity, and persist in following precedents when they should act upon principle. They forget—and the fact cannot be

urged too strongly—that government is a progressive science, and that improvement is a law of nations as well as of nature.

In 1696, while the gold was being recoined, exchequer bills, principally for £5 and £10, were introduced. Being issued on the security of government, they supplied the place of coin, and were found a great convenience, acting as state counters, which passed as money, because the people knew the government would receive them at full value. The Lords of the Treasury were authorised to contract with monied men to supply cash; and though these bills were at one time at a discount, their credit rose daily, until they reached 1 per cent. premium. They at first bore no interest; but when they were re-issued, £7 12s. per cent. per annum was paid, and they became a favourite investment. The genius of Mr. Halifax invented them; and it has required no genius on the part of succeeding ministers to issue a supply whenever the wants of the government have demanded them. When it is not convenient to pay these securities off, and they have accumulated to an amount which attracts the notice of the Opposition, or is calculated to depress the price, the consent of Parliament is procured, and they are liquidated by

being added to the fixed debt of the country. They now form a regular supply to the ministry, and are part of the floating or unfunded debt of England, bearing a premium or discount in proportion to the credit of the nation.

The first fraud in Exchequer bills occurred within a year of their creation; when receivers general, members of parliament, and deputy accountants, formed a confederacy fraudulently to endorse some of these securities, to which their position gave them access. The robbery was discovered; and a Mr. Reginald Marryot, one of the accomplices, saved himself by discovering the plot. The House of Commons expelled from its numbers the men whose dishonour was increased by their position; and, as the estate of Mr. Charles Duncombe, one of the accused, was worth £400,000, they fined him £200,000, being the amount wrongfully circulated. In the House of Lords it fell to the Duke of Leeds to give the casting vote. Mr. Duncombe's estate was saved, but the Duke's credit suffered, for he gave his decision in favour of the defaulter; and it was said that Mr. Duncombe paid no inconsiderable sum for the benefit he received at the hands of his grace. The charge was never brought

home; but the duke's after conduct gave a sufficient colouring to the suspicion.

The first foreign loan was negociated in 'Change Alley in 1706. The victories of the Duke of Marlborough had raised the pride of the English people; and even 'Change Alley possessed a somewhat similar feeling. When, therefore, his grace proposed a loan of £500,000 to the emperor, for eight years, at 8 per cent., on the security of the Silesian revenue, it was received with acclamation, and was filled in a few days by the first commercial names of England.

During that period, which now a romantic, was then a terrible reality, when it was known in 1715 that the best families in the north of England had assembled in arms, to change the dynasty, no pains were spared by the jobbers to procure correct and to disseminate false intelligence: and it was with mingled feelings of alarm and pity that the inhabitants of a small town between Perth and the seaport of Montrose—where James embarked after his unhappy expedition—saw a carriage and six, travelling with all the rapidity which the road would allow. It was known that the rebel army was dispersed; that its chiefs were scattered; and that the unfortunate Stuart was wandering through the country,

with life and liberty alike endangered. It excited, therefore, no surprise in the village when the carriage was surrounded, and the apparent prize conveyed with great ostentation towards London. Letters soon reached the city that the fugitive Stuart was taken; and the letters were confirmed by the story related, which quickly reached London. The funds of course rose, and the inventors of the trick laughed in their sleeves as they divided the profit. By this time the jobbers must have reached a somewhat high position, as the same year, one Quare, a Quaker, and celebrated watchmaker in 'Change Alley, having successfully speculated in the shares and funds with which it abounded, was of sufficient importance to invite to the marriage feast of his daughter, Sarah Jennings, Duchess of Marlborough, and the Princess of Wales, who, with three hundred guests of distinction, graced the wedding entertainment.

But 'Change Alley was notorious for other dealings than those in the funds. When that desperate struggle for power occurred between the Old and New East India Company; when their varying claims were on every man's tongue, and their bribes in every man's hand; the election of a member of parliament was an

affair of moment. The partisans of each Company sided with their friends; bought boroughs; shed their money lavishly and largely; used every art that self-interest could devise; and so extensive was the interference of the brokers, that the only question heard in 'Change Alley was, "Is he for the New or the Old Company?" It was the touchstone of a principle more sacred than the Hanoverian succession, and more important than England and Hanover united. It was probably found profitable; and it was said in 1720, that elections for members of parliament came to market in 'Change Alley as currently as lottery tickets.

The first political hoax on record occurred in the reign of Anne. Down the Queen's Road, riding at a furious rate, ordering turnpikes to be thrown open, and loudly proclaiming the sudden death of the queen, rode a well-dressed man, sparing neither spur nor steed. From west to east, and from north to south, the news spread. Like wildfire it passed through the desolate fields where palaces now abound, till it reached the city. The train bands desisted from their exercise, furled their colours, and returned home with their arms reversed. The funds fell with a suddenness which marked the importance of the

intelligence; and it was remarked that, while the Christian jobbers stood aloof, almost paralyzed with the information, Manasseh Lopez and the Jew interest bought eagerly at the reduced price. There is no positive information to fix the deception upon any one in particular, but suspicion was pointed at those who gained by the fraud so publicly perpetrated.

The invasion of 1715, as it caused extra expenses, demanded extra grants. The House of Commons voted them; but the House of Peers, a portion of which possessed strong Jacobite feeling, attempted to modify without mending it. Though they did not reject the bill, the lower house resented the mere interference. At an early hour on the morning of the 13th February, Lord Harcourt went to the House of Peers, and made an anxious search for precedents of amendments to money bills. The search proved unsuccessful, as, since the restoration, the Commons had defended their right of not allowing the Lords to make any alterations in these acts. A committee was appointed, and the Peers fought bravely for their claim; but though the court was willing to support them, money was so immediately necessary, that at the request of government they yielded under protest.

CHAPTER IV.

CHARITABLE CORPORATION FRAUD — ITS DISCOVERY — APPALLING EFFECTS AND REMEDY — MARLBOROUGH'S VICTORIES, THEIR HISTORY, AND THE LOANS THEY BROUGHT — AUGMENTED IMPORTANCE OF THE STOCK EXCHANGE — DISLIKE TO THE MEMBERS — INCREASED LOANS — DIFFICULTIES IN PROCURING THEM — STATEMENT OF SIR ROBERT WALPOLE — GIFTS OF CONTRACTORS TO CLOTHIERS — FIRST PAYMENT OF DIVIDENDS BY THE BANK — SOUTH SEA ANECDOTES.

In the early part of the 18th century, a prospectus was issued to the commercial world and the members of 'Change Alley, in which the wants of the needy and the infamy of the pawnbrokers, the purest philanthropy and a positive 5 per cent., were skilfully blended. It was shown that then, as now, the poor were compelled to pay a greater interest than the rich; that 30 per cent. was constantly given by the former on a security which the usurer took care should be ample; and it was proposed that the wealthy capitalist should advance for the benefit

of the needy a sufficient sum to enable the company to lend money at 5 or 6 per cent. The proposal proved eminently successful; a capital of £30,000 was immediately subscribed, a charter obtained, and the "charitable corporation," the object of whose care was the necessitous and industrious poor, appeared to flourish. For some years the concern answered, the poor received the assistance which they required, and the company was conducted with integrity. In 1719, however, their number was enlarged; their capital increased to £600,000; an augmentation of business was looked for; cash credits were granted to gentlemen of supposed substance; and the importance of the corporation was unhappily recognised by that numerous class of persons compelled to pay in maturity for the excesses of youth. They acted also as bankers, and received deposits from persons of all classes and conditions. Its direction boasted men of rank, its proprietary men of substance, and its executive men of more capacity than character. The cashier of the company was a member of the senate; Sir Robert Sutton, a director, was one of his majesty's privy council; and Sir Archibald Grant, who took a prominent part in the affairs of the corporation,

was also a member of the lower house. Every confidence was reposed in such a body, and it was regarded as a rich and prosperous society.

Under these circumstances, the surprise of the public may be conceived, when it was first whispered, and then openly announced, that the cashier, with one of the chief officers, had disappeared in company. The alarm spread to the proprietors; the public participated; the poor assembled in crowds; the rich clamoured for information; a meeting was called to inquire into the case, when a most pernicious, but scarcely comprehensible, piece of villany was unravelled, and a most disgraceful tissue of fraud discovered. £30,000 alone remained out of half a million. The books were falsified; money was lent to the directors on fictitious pledges; men of rank and reputation were implicated; suspicion and censure followed persons of importance. Some managers were found to have connived at scenes so disgraceful, that their character was lost for ever. Many had concerted active plans of fraud, which ended alike in their own ruin and the ruin of the corporation; while others were guilty of personally embezzling the funds of the company. Petition after petition was presented

to the commons. A bill was brought in to prevent the defaulters from leaving the kindgom; and the scorn of all England pointed at the men who, under the guise of charity, had enriched themselves. The interest which was taken in the discovery by the entire country attracted the attention of the Jacobites; and, as one of the party had fled to Rome with the spoils, the Pretender endeavoured to enlist the sympathy of the nation, through one Signor Belloni, who wrote to the committee, stating that the refugee had been seized and placed in the Castle of St. Angelo. The Whig party, ever jealous of the Pretender, voted that the letter should be burned by the hangman at the Royal Exchange.

The distress occasioned by this bankruptcy was appalling, pervading nearly every class of society. Large sums had been borrowed at high interest. The small capitalist was entirely ruined; and there was scarcely a class in English life which had not its representative and its sufferer. The poor were unable to get their goods; the rich were robbed of their jewels; families accustomed to affluence were starving; delicate women, hitherto irreproachable, were compelled to exchange their persons for bread. Similar

evils have been known to exist during sieges; and, in the public streets of Lisbon, women of unblemished virtue offered themselves for sale during its occupation by the French; but the writer believes there is no other parallel in commercial history.

All that the wisdom of the senate could devise was attempted to mitigate the evil. The revenge of the losers was appeased by several members being expelled the house; their fear of loss was reduced by the confiscation of the estates of the offending parties; a lottery was granted for the advantage of the sufferers; and though a dividend of nearly ten shillings was eventually paid, the fraud of the Charitable Corporation was remembered long after the evils caused by it had ceased to exist.

The next great increase of debt was through the war of succession in Spain, to the crown of which several princes laid claim. According to the ordinary rule of inheritance, the Dauphin, by virtue of the marriage of Louis XIV. with the eldest sister of the king, should have succeeded; but as all right to the throne had been solemnly renounced on the marriage, it was supposed that the claim was vacated; and the principal powers of Europe, knowing the

necessity that so great an inheritance should not descend to any state possessed of territorial importance, formed the celebrated partition treaty.

By this, France, England, and Holland agreed that Spain, the Indies, and the Netherlands, should descend to the Archduke Charles, and, in return, that France should be possessed of the rich province of Lorraine. There is no doubt that governments regard treaties in proportion to the physical rather than the moral necessity to abide by them; and France, under Louis Quatorze, was no exception to the rule. A succession of cabals in Spain gave the latter the influence he required. His ambassador won the court and city, the archbishop of Toledo was of his party, and gained the Spanish king, who, sick body and soul, priest-ridden, a prey to mental and physical agony, was, after a succession of intrigues, induced to fix his name to that will, which annexed the splendid possession of the empire of Spain to the grandeur of France.

At once Louis violated the partition treaty, accepted the noble legacy for his grandson, and sent the whole court of France to accompany him to the Pyrenees, that frontier which he said in his pride had ceased to

exist. When the news reached William, he was at the Hague, but instantly returned to London. Vigorous preparations were made; but he did not live to see the declaration of the war, which, began in 1782, agitated Europe for thirteen years, and added so much to the great debt of which this volume treats.

England, Holland, and the Empire were opposed to France, Spain, and Bavaria; and the war thus commenced was a memorable contest. Marlborough and Peterborough, than whom England boasts none greater, made her name a word of dread for many years. The knight-errantry of Peterborough conceived schemes which only his ardent and fiery imagination could achieve. He took towns by storm, under circumstances little less than marvellous; he reduced the largest and strongest cities of Europe with a handful of soldiers; he made forced marches; shared the fatigues of his men; and took entire reinforcements prisoners. With 3,000 troops, he harrassed a regular army, cut off communications, and raised sieges; he forced towns with horse soldiers, and chivalrously mortgaged his estates to pay the expenses incurred in the cause of his country.

The victories of John Churchill, Duke of Marlbo-

rough, were more important to the nation than those of the adventurous Peterborough; and if his glory was tarnished by the love of gold, yet the name of Marlborough as a captain is unsullied. The battle of Blenheim was his first great achievement in the war of succession, and it made the people consent to pay the additional taxes imposed upon them. Innumerable trophies, hundreds of flags and standards, tents, cannon and mortars, casks and barrels filled with the precious metals—evinced the glory of the contest, and added to the pride of the nation. The thanks of the house were voted to the duke; medals were struck in his honour; Addison celebrated him in poetry; but dearer far to Marlborough than medal, poetry, or thanks, was the rich manor and the noble mansion of Woodstock, voted to him by the nation. Scarcely had the people recovered from the joy occasioned by the battle of Blenheim, and from the increased taxation which ensued, than another battle—that of Ramilies—seized them with delight. Forgetful of the consequences, men talked of the old days of England—of the ancient victories of her armies—of the time when the great Cromwell made the English name terrible—and, in their excitement, they magnified the grandeur, and diminished the cost. The pride of Louis

was indeed humbled. He made proposals for a Congress; he tampered with the Dutch; he besought the interposition of the head of the church; he offered to cede Spain, Milan, Naples, or Sicily; and felt bitterly the consequences of having provoked the vengeance of the island he hated. Ambition had, however, seized upon the nation; conquest only was thought of; and, remembering the glory of the past, the English people deemed themselves entitled to some privilege for the blood which was shed. They forgot that a new campaign would bring new costs; and they forgot, what their successors yet feel, that every fresh victory brought a fresh loan. Oudenarde, the third of that splendid series of victories which has made the name of Marlborough renowned in the land, was followed by Malplaquet, the glory of which was superior to its results, and the blood of which was shed to maintain the court influence of the duke.

But a change of ministry brought a change of measures; and a Tory government refused to maintain a Whig policy. The ministers triumphed, and the treaty of Utrecht was concluded. Then arose that war of words which enlisted the pens of Steele, of Addison, of Swift, and of a host of other and lesser spirits. The

Tories said the Whigs had sold us to the Dutch, to fill the pockets of Marlborough. The Whigs said the Tories had sold us to the French, to facilitate the return of the Pretender. The waste of life, the suspension of trade, the accumulation of debt, without an adequate return, were so terribly evident, that the Commons remonstrated, and told her majesty that £35,302,107 of the supplies were not accounted for.

It must be evident that every fresh war, every new loan, and every public peculation, increased the importance of the members of the Stock Exchange: and when men saw the broker and jobber assuming a position the public was unwilling to grant, they mistook the effect for the cause; and a hundred voices were raised, and a hundred essays written, to prove that the brokers of 'Change Alley were the bane of the nation. A member could hardly make a financial speech, a pamphleteer write a political pamphlet, or a dramatist employ his pen for the public, without dragging in the jobber as an illustration and a cause of the misery of England. Those who had lost their money in the many speculations with which the 'Change abounded, deemed also they had earned a right to decry it. The following is a specimen of their opinion:—"It is a complete

system of knavery, founded in fraud, born of deceit and nourished by trick, cheat, wheedle, forgeries, falsehoods, and all sorts of delusions; coining false news, whispering imaginary terrors, and preying upon those they have elevated or depressed." Archibald Hutcheson, whose life was afterwards endangered from the determined manner in which he opposed the South Sea bubble, says that the jobbers vied with the first nobility in the kingdom. Pope wrote:—

> "Statesmen and patriots ply alike the Stocks,
> Peeress and butler share alike the box;
> And judges job, and bishops bite the town;
> And mighty dukes pack cards for half-a-crown."

At any rate, it is certain that, if the national glory was aggrandised, the national debt increased in proportion. From 16 millions to 54 was fearfully felt—thirty-seven millions and a half being raised by loan, besides thirty millions in taxes, during the war of the Spanish succession.

In 1716 great difficulty was experienced in procuring a loan of £600,000. The interest offered was 4 per cent.; and while the propriety of the loan was being debated on the second evening, Mr. Lechmere entered the House hastily, and told them that only £45,000 had been subscribed. Sir Robert Walpole instantly rose,

and said, "I know that the members of the Stock Exchange have combined not to advance money on the loan. Every one is aware how the administration of this country has been distressed by stock-jobbers." The interest of 4 per cent appeared so low to men accustomed to the enormous premiums of a few years previous, that they treated the proposed terms with contempt; and enlisted the sympathy of the public by reporting that it was the first step towards the reduction of the interest on the national debt. When the same minister proposed a loan of £1,700,000, to supply a deficiency, the opposition was so great, that had not Sir Robert appealed to an empty exchequer, and declared that the debt had been incurred by a previous government, he would have been refused. The feelings of the House were greatly incensed by the discovery that the money was jobbed away with unequalled recklessness; and public-spirited men were not wanting to resist, in the name of the country, such shameless expenditure. They protested, because—and the protest drawn in 1729 would do for 1849—"the national debt ought not to be increased when the taxes are heavily felt in all parts of the country; when our foreign trade is encumbered and diminished; when our

manufactures decay; when our poor daily multiply; and when national calamities surround us." The report of the commissioners appointed to inquire into public accounts sanctioned the opposition which such men as Sir John Barnard gave to unjust demands. They proved that colonels received large sums from clothing contractors, as premiums for their favour, and that £1,400 had been given for a single contract. "The practice," said the report, "is so notorious and universal, that it wants no representation." Some barefaced practices were related in the same document; nor can there be any wonder that, with such gross mismanagement, it was said, "The army was in the field, no money in the treasury—none of the remitters would contract again. The Bank refused to lend £100,000 on good security. The navy was 11 millions in debt; and the yearly income greatly deficient."

In 1717 the Bank first undertook the payment of dividends to the national creditors, previous to which they were paid quarterly: when, however, they were undertaken by the Bank this plan was found inconvenient, and since that period they have been paid half-yearly.

Sir John Blunt was the projector of the South Sea

bubble, which, in 1720, produced such extraordinary effects in England. As the scheme did not at first prove successful, rumours were spread that Gibraltar and Port Mahon would be exchanged for Peru. The Stock soon rose to 1,000 per cent., and the excitement lasted till September, by which time it had sunk to 150. Several eminent goldsmiths and bankers were obliged to abscond; and every family in the kingdom felt the shock.

In other works the anecdotes of this memorable period have been presented in proportion to their effects upon commerce: in the present, those only will be given which either affect the Stock Exchange or possess a general interest.

On 15th May, 1719, the king went abroad, and many who went with him sold all their funds. The Bank of England was accused of assisting the bubble by lending money for the first time, on the security of its Stock; "and this," said Mr. Aislabie, "furnished an additional supply of money to gamesters in the Alley." The stories of the period are very widely spread, and prove how all ranks were affected. The Marquis of Chandos embarked £300,000 in it, and the Duke of Newcastle advised him to sell when he could

make the tolerable profit of cent. per cent. The marquis was greedy—hoped to make it half a million, and the advice was declined. The panic came, and the entire investment went in the shock.

Samuel Chandler, the eminent nonconformist divine, risked his whole fortune in the bubble, lost it, and was obliged to serve in a bookseller's shop for two or three years, while he continued to discharge his ministerial duty.

The elder Scraggs gave Gay £1000 Stock, and, as the poet had been a previous purchaser, his gain at one time amounted to £20,000. He consulted Dr. Arbuthnot, who strongly advised him to sell out. The bard doubted, hesitated, and lost all. The doctor who gave such shrewd advice was too irresolute to act on his own opinion, and lost £2000; but, with an enviable philosophy, comforted himself by saying, it would be only 2000 more pairs of stairs to ascend.

Thomas Hudson, a native of Leeds, came to London, and filled the situation of government clerk. Having been left a large fortune, he retired to the country, where he lived until, tempted to adventure in the cheme, he embarked the whole of his fortune in it. After his loss he came to London, became insane,

and Tom of Ten Thousand, as he called himself, wandered through the public streets, a piteous and pitiable object of charity.

One tradesman, who had invested his entire resources in the Stock, came to town to dispose of it, when it reached 1000. On his arrival it had fallen to 900, and as he had decided to sell at 1000, he determed to wait. The Stock continued to decline; the tradesman continued to hold; and became, as he deserved, a ruined man.

Others were more fortunate. The fine mansion of Sir Gregory Page at Blackheath was built out of the profit made by his guardians; and two maiden sisters who sold the Stock at 970, re-invested their money in navy-bills, at a discount of 25 per cent., which in a very short time were paid off at par.

The wags of the day were not idle. A pretended office was opened in 'Change Alley to receive subscriptions for raising one million. The people flocked in, paid five shillings for every thousand they subscribed, fully believing they would make their fortunes. After a large sum had been subscribed, an advertisement was published, that the people might have their money without any deduction, as it was

only a trial to see how many fools might be caught in one day.

Similar anecdotes to these are scattered over the private and the public histories of the period; but they have been rendered too familiar by recent works to narrate them in the present volume.

CHAPTER V.

LIFE OF THOMAS GUY—IMPOSITION IN SAILORS' TICKETS—FOREIGN LOAN ATTEMPTED—SIR JOHN BARNARD—EXPRESSES OF THE JOBBERS—FOREIGN COMMISSIONS—ORIGIN OF TIME BARGAINS—ATTEMPT TO STOP THEM—ITS INADEQUACY—PROPOSAL TO REDUCE THE INTEREST ON THE NATIONAL DEBT—OPPOSITION OF SIR ROBERT WALPOLE—NEW MODE OF RAISING LOANS—COMPARATIVE INTEREST IN LAND AND FUNDS—PUNISHMENT OF MANASSEH LOPEZ—THE FIRST REDUCTION OF INTEREST—LIFE OF SIR JOHN BARNARD.

In 1724 died the founder of Guy's Hospital, and a sketch of this remarkable man's career is a curious picture of the period. The son of a lighterman and member of the senate—one year the penurious diner on a shop counter, with a newspaper for a table-cloth, and the next the founder of the finest hospital in England—at one time an usurious speculator, and at another the dispenser of princely charities—the wearer of patched garments, but the largest dealer in the Alley—beginning life with hundreds, and ending it with hundreds of thousands—Thomas Guy was

one of the many remarkable men, who, tempted from their legitimate pursuit, entered into competition with the jobbers of the Stock Exchange, and one of the few who devoted their profits to the benefit of a future generation.

His principal dealings were in those tickets with which, from the time of the second Charles, the seamen had been remunerated. After years of great endurance, and of greater labour, the defenders of the land were paid with inconvertible paper; and the seamen, too often improvident, were compelled to part with their wages at any discount which the conscience of the usurer would offer. Men who had gone the round of the world, like Drake, or had fought hand to hand with Tromp, were unable to compete with the keen agent of the usurer, who, decoying them into the low haunts of Rotherhithe, purchased their tickets at the lowest possible price; and skilled seamen, the glory of England's navy, were thus robbed, and ruined, and compelled to transfer their services to foreign states.

In these tickets did Thomas Guy deal; and on the wrongs of these men was the vast superstructure of his fortune reared. But jobbing in them was

as frequent in the high places of England as in 'Change Alley. The seaman was poor and uninfluential, and the orders which were refused payment to him, were paid to the wealthy jobber, who parted with some of his plunder as a premium to the treasury to disgorge the remainder. By these means, and by fortunate speculations during the South Sea bubble, Mr. Guy realised a fortune of £500,000.

It must be borne in mind that, a century and a-quarter ago, half a million was almost a fabulous fortune. It was only to be acquired by speculation in the funds, and by ventures which commercial dealings merely failed to produce. In the literature of the past century, a "plum" is mentioned as the great prize of a life time, and as the extent of mercantile ambition. The enormous sums lately realised were then almost unknown, or arose from some chivalrous adventure, such as marked the lives of a Robert Clive or a Warren Hastings; and it was left for the present century to witness the achievement of fortunes which in the past would have been beyond credence.

In attaining so great a result, Mr. Guy was doubtless assisted by his penurious habits; but he did not possess a penurious mind. The endower of a princely

charity, the founder of alms-houses, the enricher of Christ's Hospital, the support of his relations, and the friend of the poor, must be regarded as one of those contradictory characters, which at all periods, and in all portions of the world, have marked the human race. His dealings in the Stock Exchange were continued to a late period of his existence. In 1720, he speculated largely in the South Sea Stock; and in 1724, he died at the age of eighty-one, leaving by will £240,000 to the hospital which bears his name. His body lay in state at Mercer's Chapel, was carried with great funeral pomp to St. Thomas's Hospital, and on 13th February, 1734, just ten years after his death, a statue was erected to his memory, in the square of that asylum partially raised by profits from the hard earnings of English seamen.

It was indeed to this improvidence in supplying funds to meet the demands for the navy, that the South Sea Company owed its origin. So largely had the unpaid sailors' tickets increased, that nine millions were unprovided for. Cash was scarce; the holders were clamorous; and parliament, as a premium for forbearance, erected them into that body which ended so disastrously for the commercial interests of England.

In 1730, a loan of £400,000 was attempted for the Emperor of Germany. 'Change Alley was ready to advance it on sufficient interest and sound security, but Sir Robert Walpole brought in a bill to prohibit his majesty's subjects and others resident in the kingdom from advancing money to any foreign state, without licence from the king under his privy seal. The opposition experienced by the minister was very strong. The great city commoner spoke against the bill, and it required all the power of Sir Robert Walpole to counterbalance the influence of Sir John Barnard in a matter pertaining to business.

It was very natural that men's minds should be turned to that portion of the town which, ever and anon, gave signal symptoms of great frauds, great gains, and great gambling; and Sir John Barnard endeavoured, in 1732, to draw the attention of the house of commons to the dealings and the doings of the Stock Exchange. It had, even at this early period, a complete and organised system. The expresses of its rich members came from every court in Europe, and beat, as the expresses of jobbers always have, the messengers of the government. Sir Robert Walpole not only declared this, but with great *naïveté*

added, "It is because they are better paid and better appointed." The very fact that brokers did beat the government despatches was regarded as a crime; and the public continued, year by year, to pour its maledictions on the frequenters of 'Change Alley.

The funds were said to be the nursery of fraud. In the leading companies the interest of the citizen was sacrificed to the jobber. The whole town was converted into a corporation of brokers and usurers, which could lie the government into credit one week, and out of it the next. The magistracy of the city encouraged it, and the aristocracy of the city pursued it. 'Change Alley was called a gaming-house publicly set up in the middle of London, towards which the heads of our merchants and tradesmen were turned instead of to their legitimate pursuit; and it was said that £80,000 were paid annually by foreigners in the shape of commission to the brokers of the Alley. But it was to the bargains for time that public attention was principally pointed by the city member. The origin of these bargains is obvious, and may be traced to the period of six weeks in each quarter, when the Bank books were—as it was then thought—necessarily closed to prepare for the payment of the dividend. As no

transfer could be made during this period, it naturally enough became a practice to buy and sell for the opening. The habit grew by what it fed on; and in time periodical dates for the payment of funds, purchased or sold when it could not be transferred, were fixed on by the Stock Exchange Committee, at intervals of about six weeks. As in these transactions the possession of Stock was unnecessary, and the payment of the difference in the price was sufficient, bargains for time became common, and not only English, but foreign capitalists, were attracted by the chance of gain, while the Hebrews flocked to 'Change Alley from every quarter under heaven.

In consequence of the view which Sir John Barnard took of these facts, he succeeded in carrying that enactment which, intended to prevent gambling in the funds, has been utterly and singularly powerless in its effect. It provided that no loss in bargains for time should be recoverable in the courts, and placed without the pale of the law all such speculations. One hundred and sixteen years have passed, the act is still in force, and speculative bargains have not only increased, but form the chief business of the Stock Exchange. The greatest corporation in the world has availed itself of

the principle, and the effect of the statute is, not to prevent respectable men from speculating, but to make rogues refuse to pay their losses, knowing that while the law is inefficient, the black board of the Stock Exchange is their only punishment. To such men such a punishment is ridiculous; they only feel through the purse, and in that they know they are safe, by virtue of an act in which they rejoice.

That a feeling of gambling was encouraged is indisputable, and the attempt of Sir John Barnard was, therefore, honourable. But this propensity seems a natural principle of humanity. The savage in a state of nature, and the peer at the highest point of civilization, alike indulge in it. Every man who trades beyond his power to pay, every merchant who purchases goods on delivery, is, strictly speaking, a gambler: and it is well known to be a common practice of the first merchants to buy goods for arrival, without the slightest intention of receiving them, and directly a profit can be gained, or too great a loss averted, they are re-sold without even the bill of lading being visible to the buyer.

It is these things which lead to disgraceful bankruptcies. The intelligent author of "Partnership en

Commandite" says:—"On the banks of the Danube, the Vistula, the Rhine, and the Tagus; on the shores of the Baltic and the Mediterranean; on the plains of Poland—I have met with men who have asked me for charity, because they had been ruined by connexion with some of the first English houses."

The first effect of Sir John Barnard's Act was serious; and bargains for time, or the "race horses of 'Change Alley," as they were termed, were said to have expired. It was soon found, however, that to make the brokers responsible would answer every purpose; and business flourished as gaily as if the father of the city had never had an existence.

Though this measure was with difficulty passed, the wonder is that it passed at all, as the reasoning brought in its favour was very slight; and the following is a fair specimen of the speeches in its behalf:—

"The broker comes to the merchant, talks of the many fatigues and dangers, the great trouble and small profits in the way of trade. He then tells him, if he will allow him to dig in the rich mine of 'Change Alley, he could get more in a day than he could by his trade in twelve months. The merchant is persuaded; he engages; goes in for some time, and is quite

undone. His just creditors are surprised: 'What,' say they, 'this man had a good stock to begin with, and he has had a good trade for several years; he never lived extravagantly; what is become of his effects and his money?' They inquire, and find the whole was gamed away in 'Change Alley."

The fears of the brokers outran their discretion as soon as the bill passed into law; and the maledictions poured upon Sir John were loud, deep, and frequent. They thought that the principal and most profitable part of their trade had departed; and it was declared—how truly, time has since shown—that it would be only possible to get an estate by the slow, dull way of commerce. Every effort was made to ruin his reputation and his character; but both were too firmly established to receive any injury from the malevolent stories which were currently circulated.

A proposition was made in 1737 by the same gentleman to reduce the interest on the national debt from 4 to 3 per cent. Nothing could be more just than this, as the public might either receive their principal in full, or 1 per cent. less interest. The House was at first disposed to entertain the proposal with the fairness it merited, but the monied men rose in a body, and

Sir Robert Walpole, fearing to disoblige them, fearing to lose those votes on which he had hitherto relied, and envying also the popularity Sir John might acquire, determined to crush the scheme. He interested the king and queen; he employed his ministerial power; he intimidated some; he bribed others; he puzzled and persuaded more; until his purpose being effected, the bill—than which nothing could be more reasonable—was rejected. The popular feeling attributed this opposition to the royal family, who possessed great funded property; but to popular feeling, unless it rose to a storm, as with the Excise bill, Sir Robert Walpole was very indifferent.

In the same year, an inquiry being instituted into the books of the Bank of England, it was calculated that 10 millions were held by foreigners in the English funds; a remarkable proportion of the amount at which the national debt then stood.

In the reign of George II. a new mode of raising loans was adopted. Instead of varying the interest according to the state of the money market, the rate was fixed from 3 to 5 per cent., and the subscribers remunerated by an additional amount of stock. It was the first public announcement that the debt was

perpetual; and has made the present principal two-fifths more than the sum originally advanced. In the earlier history of borrowing, the government named its own terms; and as this generally afforded a profit, the loan was soon filled. If, however, the ministerial proposals were not sufficiently liberal, the executive altered the terms to the real value of money; and it is by no means an uninstructive fact, that it was found in 1748, after a close calculation, that for thirty previous years land had produced a higher interest than the funds.

Although an act had been passed, by which it was declared illegal for one individual to have more than twenty lottery tickets allowed him, it soon became notorious that the rule was flagrantly and frequently violated. Manasseh Lopez, whose dealings on the Stock Exchange entitled him to be termed a leader, had bribed the commissioners to permit an indirect violation of the law, by accepting a long list of feigned names as candidates for tickets. He was prosecuted by the Attorney-General, and sued in the Court of King's Bench. A fine of one thousand pounds was awarded as punishment; but as he had made more than fifty times the amount, it might be regarded as a very successful speculation.

The first reduction in the interest of the national debt—from 4 to 3 per cent—was effected in 1750, and was received with a similar storm of indignation to that which arose in 1737, on the mere attempt. The name of Sir John Barnard, to whom everything connected with the funds was of importance, is mentioned as having proposed it to Mr. Pelham, who brought it forward in the House of Commons. The best men in the city protested against so bold a measure, and the foes of the minister encouraged the opposition of the fundholder. His friends overwhelmed him with entreaties to withdraw the motion; and every engine which could be brought into operation by the monied interest was employed. Reasons which time has since repudiated, fallacies which almost repudiated themselves, evils which had no existence save in the brain of the prophet, were freely circulated. It was said that the landed gentry and the noble families of England would be ruined, and their children would become beggars; that the interest of younger sons' portions would not enable them to associate with the cooks and coachmen of their elder brothers; and that merchants, shopkeepers, and tradesmen, would be ruined. The farmers would lose their farms; families

would be undone; and such a deluge of distress be brought upon all ranks, that the consequences would be fatal to that "free and happy constitution" which has been so often ruined in the brains and in the prophecies of partisans.

Its first reception was so lukewarm by the minister's friends, and the opinions of the people so strong, that, coupled with the previous failure of a similar measure, its miscarriage was confidently calculated. "Mr. Pelham," says the flippant chronicler of the times, "who has flung himself entirely into Sir John Barnard's hands, has just miscarried in a scheme for the reduction of interest, by the intrigues of the three great companies and other usurers." Horace Walpole mistook the voice of his little circle for the voice of the country. The scheme did not miscarry; and it is remarkable that this, the first reduction in the interest of the national debt, was planned in a most masterly manner, and reflected great honour upon Sir John Barnard. A loss of 1 per cent. upon the income of an annuitant is important, and acts prejudicially upon all with limited means. To obviate this evil, if the fundholder declined receiving his capital, the interest was reduced from 1750 to 1757 only one-half per cent.

3½ being paid during that period: after 1757 it was reduced the remaining half per cent. The great resources of England have ever been regarded with wonder by foreign nations; and they looked with astonishment on the power of a people which, after a heavy war and an increased debt, enabled the state to repay its creditors or reduce its interest.

The name of Sir John Barnard, the father of the city, its honest representative for six sessions, the remodeller of the Stock Exchange, and the reducer of the interest on the national debt, occupies a prominent place in all questions connected with the funds. Born of the same persuasion as William Penn, he retained during life much of the simple honesty of the creed he originally professed, and even Sir Robert Walpole respected him, although he was constant in his opposition to bad measures, and could never be bought nor bribed. "I address myself to you, Mr. Speaker, and not to your chair," he said, when Sir Robert Walpole, secure in a majority, withdrew the attention of the speaker; "I will be heard; and I call that gentleman to order." Lord Chatham gave him, half in jest and half in earnest, the proud title which was afterwards appropriated to himself, of "the great commoner."

His pride was indomitable; the members of the Stock Exchange, who were always spoken of with great contempt by Sir John, thoroughly detested him, and greatly helped to fan the unpopularity which fell upon him when he opposed public feeling, as, with a most unbending integrity, he invariably did if his conscience prompted. "He grew," said Horace Walpole on one occasion, "almost as unpopular as Byng." On commercial subjects his opinion was greatly regarded: when any remarkable feature in financial politics occurred, the town echoed with—"What does Sir John say to this?—what is Sir John's opinion?"—and he had the honour of refusing the post of Chancellor of the Exchequer, in 1746. It is somewhat at variance with the proud character of the man, that from the time his statue was erected in the Royal Exchange, he never entered the building, but transacted his business in the front. The blood of Sir John Barnard yet flows in the veins of some of the best houses in the commercial world, his son having married the daughter of a gentleman known in contemporary history as "the great banker, Sir Thomas Hankey."

CHAPTER VI.

ORIGIN OF NEW LOANS—FRAUD OF A STOCK-BROKER — EAST INDIA STOCK — SKETCH OF SAMPSON GIDEON, THE GREAT JEWBROKER — EAST INDIA COMPANY—RESTRICTION OF ITS DIVIDENDS—LIBERALITY TO ITS CLERKS—IMPORTANT DECISION—ROBBERY AT JONATHAN'S — CURIOUS CALCULATION CONCERNING THE NATIONAL DEBT.

THE Spanish war, and the war of the Austrian succession, was the origin of the next increase of the national debt. It was alleged that the commerce and the merchants of Great Britain were injured by the Spaniards; that the subjects of England were sent to the Spanish mines; and though one remonstrance followed another to the court of Madrid, promises were more plentiful than performances from the haughty Spaniard. The people were excited to believe that their honour was insulted; a dramatic exhibition was made at the bar of the House of Commons; and this war, partly to please the populace, partly to heal the wounded national pride, and partly to secure British subjects from the right of search in American

seas, was openly declared in 1739. The heralds were attended in their progress by the chiefs of the opposition, and the Prince of Wales drank success to England at Temple Bar; but Sir Robert Walpole, as he heard the merry peal from the city steeples, muttered—"They may ring their bells now—they will wring their hands before long."

The misfortunes with which the campaign opened justified the minister's prophecy, and the war was violently attacked in the house; but the majority of Sir Robert was an irresistible argument, and calamity continued to mark the progress of the British arms. An armament, with 15,000 sailors, and as many soldiers, completely equipped, failed disgracefully before Carthagena. The squadrons of our admirals were dispersed. Fontenoy witnessed a signal defeat, and Tournay was taken. Scotland was entered by a Stuart, under circumstances which promised success. England was threatened with invasion; the vast armies of the English allies, paid by English money, raised by loans through the Stock Exchange, were inactive or defeated; and it was only when a more promising aspect was shed over our efforts, when the assistance of Russia would have assured a supremacy,

and British fleets had intercepted the treasures of France and Spain, that the ministry, tired of a war which brought so many reverses, and alarmed at the voice of public opinion, consented to treat for peace.

But their treaty was as disgraceful as their war. The principal cause of the latter, the right of search, was not even alluded to; no equivalent was received for forts restored to the enemy; and for the last time in English history, the nobles of the land were given as pledges for the country's faith. "The whole treaty," says one historian, "is a lasting memorial of precipitate council and English disgrace." It is melancholy to add, that this unhappy war added £31,333,689 to the permanent debt, took £15,080,000 in taxes, "and, says a pamphleteer of the day, "increased the contemptible crew of 'Change Alley."

The early mode of raising money was somewhat curious. When a new tax was imposed by parliament, any person might advance any sum not less than £100. For this, a tally was given at the Exchequer, with an order for repayment of the principal, and the payment of interest. The sums thus advanced were to be paid off in regular order, as the money

arising from the tax was received. But as this was generally found to be insufficient to redeem the loan, it became necessary either to prolong the term, or raise a new loan to pay off the old one.

The interest on loans during the reigns of Anne and William, was very uncertain. In the reign of George II., a new principle was adopted. Instead of varying it according to the state of the money market, the rate was generally fixed at 3 or 3½ per cent., and the necessary variation made in the sum funded. In consequence of this practice having prevailed, the principal of the debt now existing amounts to nearly two-fifths more than the sum actually advanced.

As early as 1762, a Stock-broker, named John Rice, met the fearful penalty so liberally awarded to crime by the civil code of the 18th century. A client of Rice, for whom he was accustomed to receive her dividends, was, under false pretences, induced to grant a power to sell as well as to receive the interest. As the temptation to speculate on the Stock Exchange is great, the temptation to divert property from its legitimate channel is equally so, when confidence or carelessness has granted the power.

The Stock-broker sold all his client's money, employed it to meet his losses, and kept up his deception by sending her the dividends as usual. The lady, moved by doubt, or by some cogent but unknown cause, intimated to Rice her intention of visiting the city. Unable to restore the money, the conscience of Rice took the alarm, and he fled, leaving with his wife £5,000 of the misappropriated property. Ignorant of his evil deeds, and anxious to join her husband, she embarked for Holland. The weather proved rough; the vessel was driven back; and the persons sent in search of the husband apprehended the wife, who yielded the money in her possession, leaving herself entirely destitute; and it is to the credit of the directors of the South Sea Company, that they settled a small pension on the unhappy woman.

The search continued for Rice, who was discovered in the old town of Cambray, where he had taken up his residence. The English ambassador at Paris applied for his delivery; the misguided man found that Cambray was no city of refuge for him; and the last sad penalty of the law was enacted on the body of John Rice the Stock-broker.

In February 1764, the jobbers were taken by surprise, and a sudden fall of 14 per cent. in India Stock occurred, owing to an unexpected war in the East. The incident is only remarkable, that from this period, marked by a fall in their Stock to so large an extent, commenced the political greatness of the company. A violent dispute had arisen between Lord Clive and the directors; but their foreign affairs assumed so serious an aspect, that the latter were forced to yield. Every vessel brought alarming tidings. The natives, unable to bear the oppressive exactions to which they were subject, arose and defied the government. The directors of the company grew alarmed. They forgot their feuds, they remembered only their dividends, and called Clive to their rescue. But Clive refused to act so long as one Sullivan, his bitter enemy, occupied the position of chairman; and as the proprietors would have removed the whole court of directors rather than miss the services of Clive, Sullivan not only lost his chairmanship, but was within a single vote of losing his seat as director. During this exciting period, so great was the bustle, that Cornhill and Cheapside were filled with the carriages of the voters; and from this dispute, which

commenced with so ominous a fall in their Stock, may the territorial dignity of the East India Company be dated.

Sampson Gideon, the great Jew broker, as he was called in the city, and the founder of the house of Eardley, as he is known to genealogists, died in 1762. This name, as the financial friend of Sir Robert Walpole, the oracle and leader of 'Change Alley, and the determined opponent of Sir John Barnard, was as familiar to city circles in the last century as the names of Goldsmid and Rothschild are to the present. A shrewd, sarcastic man, possessing a rich vein of humour, the anecdotes preserved of him are unhappily few and far between. "Never grant a life annuity to an old woman," he would say; "they wither, but they never die:" and if the proposed annuitant coughed with a violent asthmatic cough on approaching the room door, Gideon would call out, "Aye, aye, you may cough, but it shan't save you six months' purchase!"

In one of his dealings with Mr. Snow, the banker—immortalised by Dean Swift—the latter lent Gideon £20,000. Shortly afterwards the "forty-five" broke out; the success of the Pretender seemed certain; and

Mr. Snow, alarmed for his beloved property, addressed a piteous epistle to the Jew. A run upon his house, a stoppage, and a bankruptcy, were the least the banker's imagination pictured; and the whole concluded with an earnest request for his money. Gideon went to the bank, procured twenty notes, sent for a phial of hartshorn, rolled the phial in the notes, and thus grotesquely Mr. Snow received the money he had lent.

The greatest hit Gideon ever made was when the rebel army approached London; when the king was trembling; when the prime minister was undetermined, and stocks were sold at any price. Unhesitatingly he went to Jonathan's, bought all in the market, advanced every guinea he possessed, pledged his name and reputation for more, and held as much as the remainder of the members held together. When the Pretender retreated, and stocks rose, the Jew experienced the advantage of his foresight.

Like Guy, and most men whose minds are absorbed in one engrossing pursuit, Mr. Gideon was no great regarder of the outward man. In a humorous essay of the period, the author makes his hero say, "Neither he nor Mr. Sampson Gideon ever regarded dress." He educated his children in the Christian

faith, but said he was too old himself to change. Being desirous to know the proficiency of his son in his new creed, he asked, "Who made him?" and the boy replied, "God." He then asked "Who redeemed him?" to which the fitting response was given. Not knowing what else to say, he stammered out, "Who—who—who gave you that hat?" when the boy, with parrot-like precision, replied in the third person of the trinity. The story was related with great unction at the period.

"Gideon is dead," writes one of his contemporaries, in 1762, "worth more than the whole land of Canaan. He has left the reversion of all his milk and honey, after his son and daughter, and their children, to the Duke of Devonshire, without insisting on the duke taking his name, or being circumcised." That he was a man of liberal views, may be gathered from his annual donation to the Sons of the Clergy, from his legacy of £2,000 to the same charity, and of £1,000 to the London Hospital. He died in the faith of his fathers, leaving £1,000 to the Jewish synagogue, on condition of being interred in the burying-place of the chosen people.

The question of the sinking fund has greatly occu-

pied the attention of financial men, and upon few schemes have so many, and such various opinions, been given. To view the subject by the light of common sense, it seems palpably absurd that more money than was necessary should be borrowed for the sake of paying it again, or that while a surplus fund remained in the Exchequer, new loans should be raised. Paine afterwards declared it was like a man with a wooden leg running after a hare—the more he ran, the farther he was off.

The first sinking fund is usually called Sir Robert Walpole's, because it was adopted by him; but its author was the Earl of Stanhope. The taxes, which had at first been for limited periods, being rendered perpetual, proved greater than the charges they were meant to defray. The surpluses, therefore, were united under the name of the Sinking Fund, and appropriated for the discharge of the National Debt.

The opinion which Dr. Price has since so strongly urged, was very prevalent; and as much anxiety concerning the debt existed, it was considered important to apply this surplus invariably to the discharge of the great debt, and to borrow by new loans when the public exigencies required it. Thus,

although from 1718 to 1731 was a period of peace, the following sums were borrowed :—

1718	£	505,995
1719		312,737
1720		500,000
1721		1,000,000
1725		500,000
1726		370,000
1727		1,750,000
1728		1,230,000
1729		550,000
1730		1,200,000
1731		500,000
	£	8,418,732

The money procured by the sinking fund for the discharge of the National Debt, from 1716 to 1728, amounted to £6,648,000, being a trifle more than the debt contracted during the same period.

In 1728, it was found that the principle could not be preserved; and the interest of the loan of that and the following year was charged on the fund, while the additional taxes imposed to pay the interest of the loans were applied to increase it. A short time after, the plan of preserving the sinking fund inviolate was abandoned; and in 1733, £500,000 was taken to meet the expenses of the year: in 1734, £1,200,000 was taken for the same purpose;

and in 1735, it was even anticipated, and the principle, in effect, abandoned. From that time its operations grew feeble, its produce was often devoted to other purposes, and it was found necessary to have recourse to it when the expenses exceeded the revenue, and no new taxes were imposed. In the peace which followed the treaty of Utrecht—a period of twenty-six years—£7,231,508 was the amount of debt discharged by the sinking fund; and in war the produce was applied to the expenses of the year—loans being raised for the additional sums required.

This fund produced at its commencement in

1717		£. 323,439
From 1717 to 1726, both inclusive		577,614
" 1727 to 1736	"	1,132,251
" 1737 to 1746	"	1,062,170
" 1747 to 1756	"	1,356,578
" 1757 to 1766	"	2,059,406

The further and feeble operations of this fund are unnecessary to trace, as, although it continued nominally in the accounts of the Exchequer until 1786, when Mr. Pitt's sinking fund was introduced, it did little in peace, and nothing in war. From 1717 to 1772 it produced but twenty millions, being about £357,000 annually.

If the increase to the debt last recorded was caused by a disgraceful war and a powerless ministry, that which followed was no less remarkable for the brilliance of its operations and the greatness of its achievements. Since the treaty of Aix-la-Chapelle, the English and French East India Companies had been fighting for supremacy, and the animosity spread to the colonies. A British force was cut off in America, and some French vessels were taken on the West India seas. War seemed necessary, and, when commenced, proved at first sufficiently humiliating. Hanover was attacked by France, and petty German princes were subsidised to defend it. Minorca, commanded by Blakeney, a superannuated general, was taken by Richelieu, a superannuated fop. Braddock was defeated in America; admiral Byng refused to engage the French fleet; and an outcry arose for his life, which appalled the men who governed the councils of the country. Shops were filled with libels; walls were covered with satires. The English people, rarely yielding to the thirst for blood, demanded that of the unpopular admiral; and the prime minister trembled for his neck. Our navy could scarcely keep the sea,

and the army was commanded by men desirous only of seeking emolument and avoiding risk. Enterprise and energy were absent. In the West, our power was paralyzed; in the East it was endangered. From every county in the kingdom, from every town in the empire, vengeance was demanded. The Duke of Newcastle vacated the place of prime minister; a change was effected; and from that period a succession of conquests filled the kingdom with pride, and raised the fame of the country. The accession of Mr. Pitt to the post of prime minister was felt in every department. France, attacked on some, and menaced on all points, suffered disastrous defeats, retired from Germany, and saw her West and East Indian colonies wrested from her. In one action, thirty-six sail of the line, fifty frigates, and forty-five sloops were taken or destroyed, and the sea swept clear of the fleets that had insulted our coasts and our colonies. Triumph after triumph, conquest after conquest, and, it must be added, loan after loan, was witnessed. Goree and Guadaloupe were taken. The heights of Abraham beheld the fall of Wolfe and of Quebec; Montreal was subdued; and the total cession of Canada followed. The fleet to which the French court had confided its American

possessions was destroyed, and captured standards borne through the streets amidst triumphant shouts which deadened the roar of the cannon.

The accession of George III. did not interfere with the conduct of the war. Nineteen millions were voted the first year of his reign; and though Mr. Pitt retired from the councils of his majesty, the contest was carried on with the same energy; while the system of subsidies was continued with a profusion which has been rarely paralleled. Triumphs such as these produced their effects on the opponents of England. Spain and Portugal were anxious for peace; France was impoverished, the plate of her monarch converted into money; and, in 1762, a just and honourable peace was concluded.

It is remarkable also that public distress was never less apparent than during this war; and the rare picture was presented of a people supporting without murmurs the trials and the taxes of a wide and costly contest. Prosperity and wealth at home hid the price at which the victories were purchased abroad: London was never more thriving; and the importance of several manufacturing districts dates from the success of the seven years' war. During this period,

the whole continent of North America fell into our power. Twenty-five islands were captured; twelve great battles won; nine fortified cities, and forty forts and castles taken. One hundred ships of war and twelve millions of specie acquired; sixty millions added to the national debt, and fifty-two millions raised by taxes.

To produce the peace which followed this contest, bribery was resorted to, and the public money wasted. "The peace of 1763," said John Ross Mackay, private secretary to the Earl of Bute, and afterwards treasurer to the Ordnance, "was carried through, and approved by a pecuniary distribution. Nothing else could have surmounted the difficulty. I was myself the channel through which the money passed. With my own hand I secured above one hundred and twenty votes on that vital question. Eighty thousand pounds were set apart for the purpose. Forty members of the House of Commons received from me a thousand pounds each. To eighty others I paid five hundred pounds a-piece."

The continued corruptions produced continued irregularity. George II. said he was the only master who did not see his servants remunerated; adding

to Mr. Pelham, that if the civil list were not paid, he would find another minister. Remonstrances on the injury to the national and individual interest were so frequent, that the king declared he would inspect the accounts himself.

The Duke of Newcastle, then prime minister, bowed, and promised to send the papers: and the following morning, a cart loaded with official accounts, was paraded in the court yard of the palace. With much violence the monarch demanded the cause of the display. "They form a portion of the accounts your majesty desired to inspect," was the reply. "There is another wagon-full on the road."

One specimen of the accounts his majesty had offered to investigate was, however, quite sufficient; and the public complaint remained unalleviated.

In 1742, £1,384,600 6s. 3d., was under the sole direction of the Earl of Orford for secret service-money, of which £50,077 18s. went to the newspapers, and the amount of this supply expended in the six weeks preceding the resignation of the Earl of Orford was more than during the three previous years.

In 1766, the House of Commons compelled the East India Company to rescind a vote which the

excitement of the time had induced them to pass. The success of Lord Clive, the important commercial consequences to which it led, and the plunder which rewarded the victories of the soldier, had fired the brains of the East India proprietary. The most extravagant reports were promulgated, and half-yearly dividends of 50 per cent. were confidently promised. The value of the Stock rose enormously; and the directors divided at the rate of 13 per cent. per annum. When it was found that the corporation were enabled to divide thus liberally, parliament, under the pretence that it might lead to a dangerous panic, interposed with a strong hand, directed that the annual dividend of the company should be limited to 10 per cent., and that all accumulations beyond should accrue to the state. Great opposition was evinced. The corporation, having paid liberally for their charter, would not quietly submit to an interference which so materially decreased its value; and, having formerly bribed with success, tried the same process, but without the same result. The changes in the opinion of the "independent" members, as they were bribed by the company or awed by the minister, were somewhat curious, and the

cause of Charles Townshend's tergiversations were probably only a type of many. Having dealt largely in India Stock, he cried up the company's claims to serve himself. He then sold out at a profit, and cried them down to serve his friends. It was a complete South Sea year. A third of the House of Commons was deeply engaged in the traffic; and jobbing was the thermometer by which patriots were made or marred. "From the Alley to the House," said Walpole, "is like a path of ants." Most of the members were in Mr. Townshend's position, and the East India Company were, therefore, restricted in their dividends. The result was, that this corporation is worthy the study of others in the liberality with which it rewards the labours of its clerks. Acting on the fine Mosaic principle, that the ox shall not be muzzled which treadeth out the corn, the company have made their servants' interests their own—they have made them understand that their old age shall be liberally protected if they faithfully serve—they have made them know that their widows and their orphans shall not be forsaken, and they have, therefore, made them feel that the service of such a company is a pleasure and not a pain—a love and not a labour.

It is the curse of English commerce, of English banking, and of English trading generally, that while large fortunes are made by the principal, the clerks are often remunerated at a rate inferior to that which the merchant pays his favourite domestic. The small number necessary to produce a great income takes away all excuse for this penury; and as four or five are frequently sufficient to produce annual thousands, it is to be regretted that while the principal seeks the most luxurious abode which wealth can produce, the clerk goes to some cheap suburban home, in which, with his family, he can scarcely unite respectability with life.

In corporations and in public offices this is peculiarly hard. The additional salary would not be felt, and there is a responsibility on the clerks which demands that their payment should be proportioned to it. It is an honour to them that, with the lax notions entertained of corporate and national property, the frauds should be so rare; but it is a dishonour to commercial nature, that, considering the profits made by merchants, the daily intercourse they hold with their clerks, and the trust they are compelled to place in them, they pay in so small, and work in so great a

degree. It is a most suggestive fact that, where the functionaries are remunerated the worst, the frauds are most numerous.

But there is another evil felt by the stipendiary. His personal treatment is not in accordance with his claims as an educated man. The coldest look and the haughtiest answer are reserved for him. The smallest amount of intercourse necessary to business is awarded him. The common courtesies of life are denied him. The merchant too often enters his counting-house without recognition, and leaves it without an adieu.

In similar establishments abroad the clerks are treated with care and kindness. They are not made hourly to feel the great gulph between them and their wealthy superiors. They visit the homes of the latter; they are confidentially consulted; they are allowed time to think; they are treated as men, not as animals. And thus it was in England in the olden time. The merchant of that school invited his clerk to his home, took an interest in his affairs, and recognised him as a friend. They worked the fortunes of the house together, and, if the merchant was repaid by his clerk's fidelity, the latter was often admitted into the firm he had served. This is not so

now: but the master is the greatest loser; for there is no service so fruitful as that which arises from kindness, or so grateful as that which has its root in affectionate respect.

An important point was decided against the presumed privilege of the city in 1767. Two gentleman, wishing to purchase Stock, employed friends, not brokers, to procure it. The chamberlain deeming this an invasion of the civic prerogatives, commenced proceedings against them. In both cases, however, the defendants gained the day, "And," says the authority, "it is now settled that every person is at liberty to employ his friends to buy or sell government securities without employing a broker."

Some of the frequenters of Jonathan's were dexterous manipulators, and, however the speculator might congratulate himself on his success in the Alley, it occasionally happened that he found himself lightened of his profit. Thus, in one day in the above year, no fewer than four brokers were robbed of their pocket-books, containing large amounts of property. The thief was taken; but, in place of expressing contrition, he gave a voluntary and unexpected opinion that one man had as much right to rob as another, and that he

was only acting as an honorary magistrate in taking that of which they had cheated their neighbours.

In 1771, a somewhat curious calculation was made, that if the debt of 130 millions were counted in shillings at the rate of 100 a minute, it would occupy one person 49 years, 158 days, and 7 hours. The same person also declared its weight in the same coin to be 41,935,484 troy pounds; and that it would require 279,570 men to carry it.

CHAPTER VII.

CRISIS OF 1772—INDIAN ADVENTURERS, THEIR OSTENTATION, THEIR CHARACTER—FAILURE OF DOUGLAS, HERON AND CO.—NEALE, FORDYCE AND CO.—SKETCH OF MR. FORDYCE—HIS SUCCESS IN THE ALLEY—ALARM OF HIS PARTNERS—HIS ARTIFICE—HIS FAILURE—GENERAL BANKRUPTCY—LIBERALITY OF A NABOB—REPLY OF A QUAKER—WITTICISM OF JOHN WILKES—WAR OF AMERICAN INDEPENDENCE—ARTIFICES OF MINISTERS—ANECDOTE OF MR. ATKINSON—VALUE OF LIFE ON THE STOCK EXCHANGE—LONGEVITY OF A STOCK-BROKER.

THE crisis of 1772 has been entirely overlooked by those who have bestowed their thoughts upon such subjects. It had its origin in a variety of circumstances; but the exciting cause was the failure of the bank of Douglas, Heron and Co., established in 1769. It was the period when the success of adventurers in our Indian empire had contributed to the wealth of England. Immense sums were accumulated in a few months. Large purchases of land were made at high prices. All the early and late symptoms of speculation were apparent. The vast fortunes brought home

were ostentatiously displayed. A contempt for the slow gains of trade, a feverish excitement, and an ungovernable impatience to be rich, marked the period. The nabobs were not disposed to hide their wealth under a bushel. They built magnificent mansions; and mistook ostentation for taste. They raised the prices of all articles of consumption; they were bowed to before their faces, and dreaded behind their backs. Dark deeds were told of them; and the shrewd peasantry shuddered as the massive carriage rolled by, which held the man whose wealth had been obtained at the expense of his humanity. The ephemeral literature of the day is filled with the popular opinion of the character; and the nabob is commonly represented as a man with a bad liver and black heart. Scott, with his exquisite conception of the ludicrous, makes one of his characters define a nabob as "One who comes frae foreign parts, with mair siller than his pouches can hold: as yellow as oranges, and maun hae a' thing his ain gate."

For thirty years the public was filled with impressions of their wealth and crimes; and so late as twenty years ago, Lord Clive was described to the writer as keeping memorials of his guilt in a box beneath his

bed, and as having destroyed himself because his past enormities were too great for his conscience to bear. The drama, the story, and the poem, were coloured with their eccentricities; while newspapers occasionally recorded facts which marked that, in some at least, a fine generosity was mingled with their grossness.

The effect, however, of these things was to make money plentiful; to raise a spirit of emulation, and a thirst for gold. In addition to this, the banking-house of Douglas, Heron and Co. circulated its paper with a freedom which had an effect upon the population of Scotland remembered to the present day. Discounts for a time were plentiful. Bills presented by farmers, and accepted by ploughmen, were readily cashed. As is usual in these cases, the dashing character attained by the bank attracted those who should have known better; and many who boasted of their foresight, paid for their presumption.

In 1772 the result of reckless trading was apparent; and Douglas, Heron and Co. failed. The shock was felt throughout the empire. The Royal Bank of Scotland tottered to its base; the banking-houses of England shook with a well-grounded fear; and the great corporation of the Bank of England was beset on

all sides for assistance; but from none more vehemently than from Mr. Fordyce, of the house of Neale, Fordyce and Co.—a firm which, from its position, the importance assumed by its partners, and the known success of some of its speculations, was generally supposed to be beyond suspicion. The career of the man who thus craved assistance was somewhat out of the ordinary way of his craft, and may, perhaps, prove interesting as the sketch of an adventurer in whose power it lay to make or mar the fortunes entrusted to him; and also as a specimen of the mode in which the Stock Exchange is sometimes resorted to by bankers with the balances of their customers.

Bred a hosier at Aberdeen, Alexander Fordyce found the North too confined for any extensive operations; and, repairing to London, as the only place worthy his genius, obtained employment as clerk to a city banking-house. Here he displayed great facility for figures, with great attention to business, and rose to the post of junior partner in the firm of Roffey, Neale and James. Scarcely was he thus established, ere he began to speculate in the Alley, and generally with marked good fortune.

"The devil tempts young sinners with success;"

—and Mr. Fordyce, thinking his luck would be perpetual, ventured for sums which involved his own character and his partners' fortune. The game was with him · the funds were constantly on the rise; and, fortunate as daring, he was enabled to purchase a large estate, to support a grand appearance, to surpass nabobs in extravagance, and *parvenus* in folly. He marked "the marble with his name," upon a church which he ostentatiously built. His ambition vied with his extravagance, and his extravagance kept pace with his ambition. The Aberdeen hosier spent thousands in attempting to become a senator, and openly avowed his hope of dying a peer. He married a woman of title; made a fine settlement on her ladyship; purchased estates in Scotland at a fancy value; built a hospital; and founded charities in the place of which he hoped to become the representative. But a change came over his fortunes. Some political events first shook him. A sensible blow was given to his career by the affair of Falkland Island;* and he had recourse to his partners' private funds to supply his

* "The Stocks have got wind of this secret," said Horace Walpole; "and their heart is fallen into their breeches—where the heart of the Stocks is apt to lie."

deficiencies. Like many who are tempted to appropriate the property of others, he trusted to replace it by some lucky stroke of good fortune; and redoubled his speculations on the Stock Exchange. Reports reached his partners, who grew alarmed. They had witnessed and partaken of his good fortune, and they had rejoiced in the far ken which had obtained the services of so clever a person; but when they saw that the chances were going against him, they remonstrated with all the energy of men whose fortunes hang on the success of their remonstrances. A cool and insolent contempt for their opinion, coupled with the remark, that he was quite disposed to leave them to manage a concern to which they were utterly incompetent, startled them; and when, with a cunning which provided for everything, an enormous amount of bank notes, which Fordyce had borrowed for the purpose, was shown them, their faith in his genius returned with the possession of the magic paper—and it is doubtful whether the plausibility of his manner or the rustle of the notes decided them.

But ill fortune continued to pursue Mr. Fordyce. His combinations were as fine, his plans as skilful, as

ever. His mind was as perceptive as when he first began; but unexpected facts upset his theories, and the price of the funds would not yield to his combinations. Every one said he deserved to win; but he still continued to lose. Speculation succeeded speculation; and it is remarkable that, with all his great and continued losses, he retained to the last hour a cool and calm self-possession. After availing himself of every possible resource, his partners were surprised by his absenting himself from the banking-house. This, with other causes, occasioned an immediate stoppage, and a bankruptcy which spread far and wide. But Mr. Fordyce was not absent long. He returned at the risk of his life; the public feeling being so violent that it was necessary to guard him from the populace, while he detailed a tissue of unsurpassed fraud and folly. He manfully took the blame upon himself, and exonerated his partners from all save an undeserved confidence.

It need hardly be added that the assistance earnestly begged by Mr. Fordyce of the Bank of England was refused. Whatever impression might be entertained by others of his house, the corporation to which he applied was equally aware of his speculative propen-

sities, as of the sphere in which he indulged them; and they refused assistance, upon a well founded principle, to the man who employed his customer's capital and his own energies in incessant speculations on the Stock Exchange. Fordyce, however, only advanced the crash. The Scotch bankers were the cause; and the Bank of England saw the necessity of stopping the dangerous game commenced by the Bank of Ayr. The failures continued in the commercial world. He broke half the people in town. Glyn and Hallifax, were gazetted as bankrupts;* Drummonds were only saved by General Smith, a Nabob—the original of Foot's Sir Matthew Mite,—supporting their house with £150,000. Two gentlemen, ruined by the extravagance of the city banker, shot themselves. Throughout London the panic, equal to anything of a later date, but of shorter duration, spread with the velocity of wild-fire, and part of the press attribute to the Bank the merit of supporting the credit of the city, while part assert that

* Sir Thomas Hallifax had not a high reputation for liberality. During a severe winter, when requested to join his neighbours in a subscription for the poor, and told that "He who giveth to the poor lendeth to the Lord;" he replied, "He did not lend on such slight security;" and it is curious that, when he afterwards applied to a rich neighbour for assistance, a similar reply, couched in similar language, was given to his application.

it caused the panic. The first families were in tears; nor is the consternation surprising, when it is known that bills to the amount of four millions were in circulation, with the name of Fordyce attached to them.

The attempts of the speculating banker to procure assistance were earnest and incessant. Among those to whom Mr. Fordyce went was a shrewd quaker. "Friend Fordyce," was the reply of the latter, "I have known many men ruined by two dice, but I will not be ruined by Four-dice."

In 1774, the number of Hebrew brokers was limited to twelve; and the privilege was always purchased by a liberal gratuity to the lord mayor. During this year, the mayoralty of Wilks, one of the privileged being at the point of death, Wilks, with characteristic boldness, openly calculated on the advantage to be attained, and was very particular in his inquiries after the sick man. The rumour that Wilks had openly expressed a wish for the death of the Hebrew was spread by the wags of 'Change Alley, and the son of the broker sought his lordship to reproach him with his cupidity. "My dear fellow," replied Wilks, with the readiness peculiar to him, "you are greatly in error. I would

sooner have seen all the Jew-brokers dead than your father."

"It is the nature of colonies as of children, at a certain period in their history, to cease to be dependent upon their parents. By judicious counsel and controul they may be retained, but they must eventually separate; and, with the one as with the other, the future influence of the parent depends upon that parent's behaviour during the non-age of the child." Such was the opinion of William Pitt, first Earl of Chatham; and it is to be lamented that the behaviour of England to her American children was not likely to be remembered with kindness, when the tie was violently broken. The story of that disastrous war, when men of the same ancestry and the same habits were arrayed in hostility; when they who spake the same tongue spake it only in unkindness, is pitiable and humiliating. From the time when the inhabitants of Boston refused to be taxed, to the signing of the treaty with the young republic on terms of equality, the measures adopted were as severe as they were injudicious; and to the obstinacy of George III. may be traced the cause and the continuation of the contest, and the increase of the national debt. The

first blow was struck at Boston! On the evening of 18th December, 1774, a number of citizens, disguised as Mohawk Indians, boarded the vessels containing the tea which they would not allow to be taxed, and discharged it into the water, while other cargoes were not only refused landing, but were sent back with contempt.

When the news reached London, various restraining measures were passed. The place which had witnessed the outrage was declared closed for all exports and imports; and though the bold stand of the provincials astonished the mother country, it was supposed to be but temporary. It was soon found, however, that Boston was not alone; other provinces joined, and British America called a general congress. Magazines were formed; ammunition was provided; plans were drawn up for the defence of the country; and a large body enrolled termed minute men, engaged to turn out at a minute's notice. Every contingency was prepared for; and an aspect called rebellious by the mother country was boldly presented. The first blood was shed at Lexington, where British soldiers fled before American militia. Emboldened by success, they reduced two forts, took Montreal, and attempted

Quebec. Nor was England idle in the struggle. An addition to the land and sea force was voted; loans were raised; reinforcements were ordered to Boston; and the military ardour which had seized the Americans found fuel on which to expend itself.

With fire-arms formed by themselves; with weapons brought from the plough; with artillery so clumsily fashioned, that it burst more often than it discharged; with men who had only the determination to die free rather than live bond; the American generals beat the veteran troops of England. Her forts were taken; her forces surrounded; her armies destroyed, and her officers made prisoners. The principal powers of Europe looked with delight upon a struggle between the soldiers of the mother country and the raw recruits of the colony; between discipline on the one side and patriotism on the other; on the entire power of England baffled by men from the pen and from the plough, from the shop and from the counting-house. The loans of this disastrous period were most unpopular. The increased taxation which followed was drawn with the utmost difficulty from the pockets of the people.

Political misfortunes and military disasters made the

subjugation of America chimerical. Earl Cornwallis surrendered himself and his army prisoners of war; and when the contest was extended to Europe—when England stood alone against Holland, France, Spain, and America—when our navy was defeated—when the English coast and harbours were insulted—our West India Islands ravaged, and our trade swept away, the discontents of the country increased, and the debates in the House grew violent and acrimonious. "You sheathe your sword, not in its scabbard, but in the bowels of your countrymen," said one; and on some unhappy boast of driving the Americans into the sea—"I might as well," said Lord Chatham, "think of driving them with my crutch." The people grumbled at defeat following defeat; at trade crippled; at taxes augmented, and debts enlarged.

Loan succeeded loan; a cry arose about the corruption of contracts, and the feeling of discontent increased so strongly, that the stubborn obstinacy of the king, who said he would sooner lose his right arm than his colonies, was compelled to yield to an unanimous resolution of the Commons, that the House would consider as enemies all those who advised the continuance of the war. Had any other

monarch sate upon the throne, the large accumulation of debt would have, probably, been avoided; and England would now be spared the painful task of looking back upon "a nation convulsed by faction; a throne assailed by the fiercest invective; a House of Commons hated and despised; a rival legislature setting beyond the Atlantic; English blood shed by English bayonets; our armies capitulating; our conquests wrested from us; our enemies hastening to take vengeance upon us for past humiliations; and our flag scarcely able to maintain itself in our own seas."

Such was the aspect of public affairs during a war which cost thirty-two millions in taxes, and added one hundred and four to the national debt.

In 1778, when a loan was proposed, the usual number of applications were delivered from the bankers, merchants, and members of the Stock Exchange. To their surprise the answers were not received so soon as usual; and, as political events were threatening, the applicants grew anxious. The funds fell greatly; and when the replies came, it was found that the whole of this unfortunate loan was fixed upon them. Had the funds risen, the members and the

minister's friends would have had a good portion; but as the scrip was sure to be at a discount of 3 per cent., the whole was divided among those who were either without interest or were opposed to the government. In 1781, on a new loan being proposed, the same houses applied; but as the scrip went to a premium, it was divided with due regard to senatorial interests, and many who had lost on the last loan had no opportunity of retrieving on the present.

Prior to the allotment, one firm was waited on by a stranger, and told that, if they would add his name to their list, they would be favourably considered. The house declined the proposal, and sent in a tender for two millions; when to their surprise they received, with an allotment of £560,000, an intimation that the odd £60,000 was for the gentleman who had waited on them, and of whom they knew nothing.

£240,000 was nominally given to another house; but of this £200,000 was for members whose votes were desirable. Mr. Dent, the head of the house of Child, and a senator, received £500,000, being two-thirds of his tender, while Drummonds and other bankers, not members, received only tenths and sixteenths of the sums they requested. Some appli-

cants, without parliamentary interest, though as good as any in the city, were totally neglected, while "to a number of mendicants," said Mr. Fox, "obscure persons and nominal people, were given large amounts."

The mendicants and obscure people, thus politely alluded to by the great gambler, were the treasury and Bank clerks, to whom a portion of the loan was usually presented as a compliment for their services.

It is curious to notice the increase of applications for the loans so constantly required. Thus, in 1778, only 240 persons applied; in 1779 the number increased to 600; in 1780, to 1100; and in 1781, it reached 1600.

In 1785 Mr. Atkinson, said to be an adventurer from the North, was a great speculator. That he acted with judgment may be gathered from the fact of his dying possessed of half a million. A curious, but not a parsimonious man, he occasionally performed eccentric actions. During one of the pauses in a dinner conversation, he suddenly turned to a lady by whom he sate, and said, "If you, madam, will trust me with £1,000 for three years, I will employ it advantageously." The character of the speaker was known; the offer so frankly made was as frankly accepted;

and in three years, to the very day, Mr. Atkinson waited on the lady with £10,000, to which amount the sagacity of the citizen had increased the sum entrusted to him.

It is probable, although the fact is difficult of attainment, that the lives of the members of the Stock Exchange are, at the present day, less valuable than the ordinary average of human life. The constant thought; the change from hope to fear; the nights broken by expresses; the days excited by changes, must necessarily produce an unfavourable effect upon the frame. Instances, however, of great longevity are not wanting; and one John Riva, who, after an active life in 'Change Alley, had retired to Venice, died there at the patriarchal age of one hundred and eighteen.

CHAPTER VIII.

INVENTION OF LOTTERIES—THE FIRST LOTTERY—EMPLOYED BY THE STATE —GREAT INCREASE—EAGERNESS TO SUBSCRIBE—EVILS OF LOTTERIES— SUICIDE THROUGH THEM—SUPERSTITION—INSURANCES—SPREAD OF GAMBLING—PROMISES OF LOTTERIES—HUMOROUS EPISODES—LEGAL INTERFERENCE—PARLIAMENTARY REPORT—LOTTERY DRAWING—PICTURE OF MOROCCO MEN—THEIR GREAT EVIL—LOTTERY PUFFING—EPITAPH ON A CHANCELLOR—ABOLITION OF LOTTERIES.

THE history of lotteries is one of those anomalies which it is the duty rather than the pleasure of the annalist to record. A minute picture, however, of the progress of these institutions is as necessary to the financial annals of the Stock Exchange as it is to the development of the social history of a people. Invented by the Romans to enliven their festivities, they were to that luxurious people a new excitement; and the prizes distributed to their guests were in proportion to the grandeur of the giver. Fine estates, magnificent vases, and beautiful slaves, with other and less expensive prizes, gratified at once the pride of the founder and the cupidity of the guest.

The application, however, of lotteries to the service of a state originated at Genoa, the government of which established the principle for its own benefit. The church was not long in following the example at Rome, where the inhabitants deprived themselves of necessaries to share the chances which their excited imaginations magnified a hundredfold.

The first on record in England was drawn in 1569. The harbours and havens of the whole line of coast were out of repair, and the only mode of procuring money was by lottery. The prizes were partly in money and partly in silver plate, and the profits to be applied to the above purpose. But the drawing was a very important task; and as 400,000 lots were to be drawn, night and day for nearly four months were the people kept in a state of excitement. The time occupied must have been somewhat tedious; and as this was the first lottery, and there were but three offices in London, it is to be supposed that the drawing of that period bore the same proportion to the drawing at a later time that the coaches then bore to the railroads now. In 1612 another lottery was allowed for the benefit of the Virginia colonies, in which a tailor gained the largest prize of 4,000 crowns. But thus early was it found

that lotteries and demoralisation went hand in hand. Sanctioned by the state as a source of gain, they were found equally profitable to private individuals; and the town teemed with schemes which brought wretchedness and ruin in their train. In March, 1620, however, they were suspended by an Order in Council; but it was only a suspension, and the evil was once more revived by Charles I., who, to assist a project of conveying water to London, granted a lottery towards its expenses. That which the first Charles allowed for so great a purpose, the second of the name allowed as a boon to those whom he could reward in no other way. It was vain for censors to preach, divines to sermonize, or the House of Commons to legislate. While there was the chance of a great gain for a small risk, men ran in crowds to subscribe. Those who could not pay a large sum found plenty of opportunities to gamble for a small amount, and penny lotteries became common.* In 1694 they were again employed

* Mr. J. B. Heath says of the early lotteries, in his valuable volume entitled "Some account of the Grocers' Company:"—"There is not one entry in the accounts to show that the prizes were ever paid;" and quotes various documents to prove that they were very difficult to procure. "The science of puffing,' ' adds this gentleman, "which in our times has attained such perfection, was unknown at that period, and in lieu of placards and advertisements the more direct mode was adopted of personal solicitation."

by the state, William III. having appealed to the propensities of the people, and raised one million by the sale of lottery tickets, the prizes of which were funded at 4 per cent. for sixteen years. The voice of the moralist continued to be raised; and the public papers show that directly the state sanctioned the nuisance the evil increased tenfold, and that schemes were introduced which were a loss to all save the promoters. "What a run of lotteries we have had!" says one: "With what haste they all put in their money! What golden promises they made!"

The anecdotes connected with these abominations, the grim, grotesque despair of the losers, and the eager delight of the gainers, was for the time the great entertainment of the town. Men ran with eager haste after the lotteries of merchandise; and "the people were tickled," says a pamphleteer, "with the proposals of prodigious profits, when the proposers intended it only for themselves." The writer concludes somewhat vehemently,—"Indeed, the people have been so damnably cheated, they have no need of dissuading, and their own sufferings are sufficient to convince them it is their interest to forbear."

The system of lotteries sanctioned and employed by

the legislature was a terrible temptation to human nature. The chance, however remote, of gaining a large sum by a small risk, with the feeling of anxious and not unpleasing excitement, rendered lotteries a favourite phase of English gambling; for the voice of the people had not spoken so peremptorily the great truth that the state must not purchase a nation's wealth at the price of a nation's morals. That which a government employs as an instrument of wealth, is sure to be followed by the people to a lower extent, but in a more mischievous manner. In 1772, lottery magazine proprietors, lottery tailors, lottery staymakers, lottery glovers, lottery hatmakers, lottery tea merchants, lottery snuff and tobacco merchants, lottery barbers—where a man for being shaved and paying threepence stood a chance of receiving £10—lottery shoe-blacks, lottery eating-houses—where for sixpence, a plate of meat and the chance of 60 guineas was given—lottery oyster-stalls, where three-pence gave a supply of oysters and a remote chance of 5 guineas, were plentiful; and, to complete a catalogue which speaks volumes, at a sausage-stall in a narrow alley was the important intimation written up, that for one farthing's worth of sausages the fortunate purchaser might realize

a capital of five shillings. Quack doctors, a class which formed so peculiar a feature in village life of old, sold medicine at a high price, giving those who purchased it, tickets in a lottery purporting to contain silver and other valuable prizes.

The eagerness of the populace grew with the opportunity. The newspapers teemed with proposals; and the rage for gambling reigned uncontrolled. Every ravenous adventurer who could collect a few articles advertised a lottery. Shopkeepers, compelled by the decrease of business, took the hint, and disposed of their goods in lottery. Ordinary business among the lower tradesmen was greatly suspended. Purchasers refused to give the full price for that which might be obtained for nothing. Large profits were procured upon worthless articles; and in 1709 so great was the eagerness to subscribe to a state lottery, that Mercers' Hall was literally crowded with customers, and the clerks were insufficient to record the influx of names. It was, however, from those which were termed "little goes"—which drew the last penny from the pockets of the poor man—which saw the father gambling and the daughter starving, the mother purchasing tickets and the child crying for bread,

—that most evil arose. The magistracy, not always the first to interfere, grew alarmed, and announced their determination to put in practice the penalties which, if earlier enforced, would have been beneficial, but, unhappily, were incompetent to put down that which they might easily have prevented. It was found also impossible to restrain in private adventurers the wrong that the state sanctioned in public.

It was known that lotteries were injurious to morals and to manners; it was known that crime followed in their wake; it was known that misery and misfortune were their attendants—but the knowledge was vain, and remonstrance useless, under the plea of the necessities of the state.

Lotteries continued to be employed by ministers as an engine to draw money from the pockets of the people, at a price alike disgraceful to the government and demoralising to all. The extent to which the evil had reached may be inferred from the fact that money was lent on these as on any other marketable security; that in 1751, upwards of 30,000 tickets were pawned to the metropolitan bankers; and this when, to have an even chance for any prize, a purchaser

must have held seven tickets; and it was ninety-nine to one that even if a prize were drawn, it did not exceed £50.

Suicide through lotteries became common. The streets swarmed with unhappy wretches, who, while they suffered for the past, were making imaginary combinations for the future. All arts were resorted to. Lucky numbers were foretold by cunning women, who, when their art failed, shrouded themselves in their mysticism; and if fortune favoured them, paraded their prophecies to the public.

The most gross and revolting superstition was practised to discover lucky numbers. Rites which surpassed the darkest imagination of a Maturin, and ceremonies which appear like relics of the elder world, were resorted to for the same purpose.

It was in vain that the smaller lotteries were put down; they only gave way to an evil which preyed upon the very vitals of English society. Insurance, an art upon which hundreds grew rich, while hundreds of thousands grew poor, was commenced with terrible success. Those who were unable to buy tickets, paid a certain sum to receive a certain amount, if a particular number came up a prize.

A plan like this was available for all, as the amount could be varied to the means of the insurer.

It is almost impossible to describe the many iniquities, the household desolation, the public fraud, and the private mischief which resulted from insuring. Wives committed domestic treachery; sons and daughters ran through their portions; merchants risked the gains of honourable trade. "My whole house," wrote one, "was infected with the lottery mania, from the head of it down to my kitchen-maid and post boy, who have both pawned some of their rags that they might put themselves in fortune's way." The passions and prejudices of the sex were appealed to. Lovers were to strew their paths with roses; husbands were plentifully promised, and beautiful children were to adorn their homes through the lottery. And all these glories were promised, when Adam Smith declared, as an incontrovertible fact, that the world never had, and never would see, a fair lottery. So great were the charms of insuring, while the chances were so small, that respectable tradesmen, in defiance of the law, met for this illegal purpose, on the following day to that on which some of their body had been taken hand-cuffed before

a magistrate. The agents were spread in every country village, and the possession of a prize was an absolute curse to the community. Its effects were witnessed alike in the shock it gave to industry, and the love of gambling it spread among the people. It is due to those whose voices were lifted up against these abominations to say, that their appeals to the good feeling of the government were incessant; but the state replied in that language which is so unanswerable when held by a firm government, that the necessities of the state overbalanced the evils of the lottery.

Nor could ignorance be pleaded of its fatal effects. The domestics of the senators themselves purchased shares with their masters' money; and members of the lower and upper house were unable to resist the fascinations of the game they condemned. The most subtle language was not wanting to support the cause. Scripture was used to defend it; and as the Bible was perverted by the supporters of the slave trade, and lately by the discoverers of the virtues of chloroform, so was it now wrested to prove the antiquity and sanctity of lotteries. "By lot," they said, "it was determined which of the goats should be offered to Aaron. By lot the land of Canaan

was divided. By lot Saul was marked out for the kingdom. By lot Jonah was discovered to be the cause of the storm."

There are many incidents, which, recorded in contemporary annals, have been either overlooked or disregarded as insignificant. There is, however, nothing insignificant connected with so important a topic, and nothing ought to be overlooked on an evil which has eaten to the very heart of society, and which may again be used by some unscrupulous minister for some unscrupulous purpose. The declaration of Sir Samuel Romilly, that "whenever the house voted a lottery they voted that the deserving should become depraved," with the additional assertion that "the crimes committed would be chiefly bought off by the paltry gain to the state coffers," was entirely disregarded.

Let it be remembered that a chancellor declared, "he could not see that lotteries led to gambling," —that though the corporation of London presented an earnest petition for their abolition, as injurious to commerce and injurious to individuals—that, though Lord Mansfield said the state exhibited the temptation and then punished for the crime to which it

tempted—that though on one occasion, out of twenty-two convicts who left the country, eighteen commenced their career with insuring—that though forged notes were encouraged from the carelessness with which lottery office keepers received and passed them—that though it was iterated and reiterated, that no circumstances conduced so much to made bad wives and bad husbands, bad children and bad servants,—that though men threw themselves into the river from the infatuation of their wives—though the plate of respectable families was pledged to assist the mania—that though poors' rates were increased, and the consumption of exciseable articles diminished during the drawing—that though the gambling and lottery transactions of one individual only, were productive of from ten to fifteen suicides annually—that though half a million sterling yearly came from metropolitan servants—that though four hundred fraudulent lottery offices were in London alone—that though no revenue was ever collected at so great an expense to the people—that though families pawned everything they had; sold the duplicates, and were reduced to poverty—that though women forgot the sanctities of their sex—that though the parishes were

crowded with applicants who had reduced themselves by insurances—that though perjury was common, and small annuitants squandered their resources—that although all these pictures were drawn, and statements made, so publicly and so prominently that they could not fail to reach even the obtuse ears of a dominant ministry, yet it was not until 1826 that the evil was abolished. A similar pressure may recal the evil. It is of no importance to argue that lotteries are forbidden, and that the morals and the minds of the people are more regarded. Lotteries have been repeatedly forbidden, but they have been invariably renewed when the coffers of the state were low; and the morals of the people are a minor point compared with the balance-sheet of the nation.

The melancholy history was occasionally enlivened by episodes, which sometimes arose from the humour, and sometimes from the sufferings of the populace. It is recorded as a fact, that to procure the aid of the blind deity, a woman to whom a ticket had been presented caused a petition to be put up in church, in the following words:—"The prayers of the congregation are desired for the success of a person engaged in a new undertaking;" a

singular contrast to others, who sought the midnight gloom of a churchyard to secure them the good fortune so eagerly craved. Romantic incidents often chequered the history: old bureaux with secret drawers, containing the magic papers which led to an almost magic fortune, were purchased at brokers or descended as heirlooms.

The evils in country places were more vividly impressed on the mind from the smallness of the population. In a village near town, a benefit club for the support of aged and infirm persons existed for many years. Among the members was one who, in trying his luck, gained £3000. The effect was feverish and fatal to the peace of the little community. The society formed to nourish the sick and clothe the needy, was converted into a lottery club. The quiet village, which had hitherto vegetated in blessed peacefulness, rang with the sound of prizes, sixteenths and insurances. People carried their furniture to the pawnbrokers, while others took their bed-clothes in the depth of winter to the same source. The money thus procured was thrown away upon lotteries; and the prize of £3000 was destructive to the happiness of the place.

Up to the year 1780, although these many evils were well-known, insurances and every species of gambling connected with the lottery were legal. But the malady grew so violent, that after much urging, a step was taken in the right direction. Insurances were declared illegal, and prohibited under very heavy penalties. So many, however, were imprisoned—and perjury was not wanting for the sake of the penalty—that some check was necessary. A law, therefore, was made, preventing any one from sueing save the attorney-general; and some idea may be formed of the extent of the evil from the fact that, between 1793 and 1802, upwards of one thousand were punished with imprisonment. But the determinination to insure surpassed the determination to punish. The officers of government were absolutely defied. Blood, in defence of that which the law declared illegal, was freely shed. So organized was the system that two thousand clerks, and seven thousand five hundred persons, known as "Morocco men," with a numerous staff of armed ruffians, were attached to the Insurance offices. Committees were held three times a-week; measures were invented to defeat

the magistrates; money to an enormous extent was used to bribe the constabulary; while to those who refused to be bribed a bold and insolent defiance was offered, with threats which the officers well knew would be executed at the risk, or even the certain sacrifice, of life.

In 1805, parliament again took cognizance of the evil. The reiterated declarations of the press, the repeated assertion of members of the senate, the universal voice of the country, coupled with the notorious fact that crime continued to follow the system, compelled government to appoint a committee of the House to report upon it. The attendance of all who could give any information upon the subject was required, and a volume of evidence printed, which, though it must have opened the eyes, could not open the hearts of the ministers.

Time, instead of softening or subduing the misery, had extended its ramifications into the highest, as it once had been confined to the lowest society. The middle class—ordinarily supposed to be freest from vice—had gradually succumbed. The penniless miscreant of one day became the opulent gambler of the next; and the drawing of the lotteries might

be marked by the aspect of the pawnbrokers' shops, which overflowed with the goods of the labourer, with the ornaments of the middle class, and with the jewels of the rich. Servants went to distant places with the purloined property of their masters, pledged it, and, destroying the tickets, insured in the lottery. Manufacturers discharged those workmen who could not resist the temptation. During the drawing of the prizes less labour was done by the artizans. Housekeepers of the lower order were unable to pay their taxes. Money was begged from benevolent societies; and men, pretending they were penniless, were fed and housed by the parish while embarking in these chimerical schemes. Felons, on the morning of an ignominious death, named lotteries as the first cause; and often, if a dream pointed to a particular number, crimes were committed to procure it, which led to transportation instead of to fortune. Individuals presented themselves to insure, with such unequivocal marks of poverty in their appearance, that even the office-keepers refused their money; and yet, such was the indefatigable love of adventure, that many would come in at one door as fast as they were shown out at the other.

"When I have caught a great many in a room together," said one witness, "I have found most of them poor women, and in their pockets twenty or thirty, and even sixty duplicates on one person. Their pillows, their bolsters, their very clothes were pledged, till they were almost naked."

"First," said Mr. Sheridan, "they pawned ornaments and superfluities, then their beds, the very clasps of their children's shoes, the very clothes of the cradle. The pawnbroker grew ashamed of his profession."

A walk near the spot where the prizes were announced painfully evinced the progress this terrible delusion had made, and the classes to which it had extended.

Hundreds of wretched persons, the refuse of society, the very dregs of the people, might be seen waiting with frightful eagerness until their fate was decided. The courtezan was there forgetting for a time her avowed pursuit; the man who the night before had committed some great crime; the pale artizan with his attenuated wife; the girl just verging upon womanhood; the maid-servant, who had procured a holiday to watch her fortune; weary

forms and haggard faces, mingling with more robust and ruffianly aspects,—yet all bearing one peculiarity, that of intense anxiety,—marked the purlieus of the place where the lottery was drawn. The oath which shocked the ear; the act which shocked the eye; the scurrilous language of the boy ripe in mature iniquity; the scream of the child dragged from its rest, to mingle in scenes it could not comprehend, formed a pictorial group which Hogarth alone could have given to posterity as an evidence of civilization in the nineteenth century.

But it has been said that the mischief was not confined to the poorer classes. Persons of the first consequence entered into insurances for a great amount. Instances are not wanting in which gentlemen of large landed property, guilty of no other extravagance, lost all their cash, sold their estates, and died in the poorhouse.

The "Morocco men," so called from the red morocco pocket-books which they carried, were remarkable features in the lottery, half a century ago They began their lives as pigeons; they closed them as rooks. They had lost their own fortunes in their youth, they lost those of others in their age. Gene-

rally educated, and of bland manners, a mixture of the gentleman and the debauchee, they easily penetrated into the society they sought to destroy. They were seen in the deepest alleys of Saint Giles', and were met in the fairest scenes of England. In the old hall of the country gentleman, in the mansion of the city merchant, in the butlery of the rural squire, in the homestead of the farmer, among the reapers as they worked on the hill side, with the peasant as he rested from his daily toil, addressing all with specious promises, and telling lies like truth, was the morocco man found treading alike the finest and the foulest scenes of society. They whispered temptation to the innocent; they hinted at fraud to the novice. They lured the youthful; they excited the aged; and no place was so pure, and no spot so degraded but, for love of 7½ per cent, did the morocco man mark it with his pestilential presence. No valley was so lonely, but what it found some victim; no hill so remote, but what it offered some chance; and so enticing were their manners, that their presence was sought, and their appearance welcomed, with all the eagerness of avarice.

And little were they who dealt with these persons

aware of the characters with whom they trafficked. Of bland behaviour, but gross habits, the nature of their influence on the unpolluted minds with which they had to deal may be judged from the fact, that some of the morocco men ended their days at Tyburn; that transportation was the doom of others; and that the pillory was the frequent occupation of many. To such men as these were the morals of the people exposed through the lottery. Nor, if the opinion of a member of the senate can be trusted, was the lottery office keeper much better. "I know of no class of persons in the country," said Mr. Littleton, "excepting hangmen and informers, on whom I should be less disposed to bestow one word of commendation."

The wonder is not that the public was tempted so much, but that it was seduced so little. Puffing, by the side of which the power of a Mechi and a Moses wax dim, was employed to assist the contractor. Myriads of advertisements were circulated in the streets. The newspapers, under all forms and phases, contained stories of wonderful prizes. Horns were sounded; huge placards displayed; false and seductive lures held out; houses hired for the sole purpose of displaying bills; falsehoods fresh every

day; and fortunes to be had for nothing. Puffs, paragraphs, and papers, circulated wherever the ingenuity of man could contrive, the public thoroughfares were blazoned by day and lighted by night with advertisements.

With such a picture of crime as has been presented to the reader, he may not think the quiet satire of Mr. Parnell on the chancellor unmerited. He said that the following epitaph ought to be placed on his grave:—

"Here lies the Right Honourable Nicholas Vansittart, once Chancellor of the Exchequer, who patronized bible societies, built churches, encouraged savings' banks, and supported lotteries."

The attention bestowed on the subject, the mass of intelligence collected, the evidence given by competent parties, produced considerable notice, and the report condemned the evil the committee had examined.

"The foundation of the lottery," it said, "is so radically vicious, that under no system can it become an efficient source of gain, and yet be divested of the evils and calamities of which it has proved so baneful a source.

"Idleness, dissipation, and poverty, are increased;

sacred and confidential trusts are betrayed; domestic comfort is destroyed; madness often created; crimes subjecting the perpetrators to death are committed.

"No mode of raising money appears so burthensome, so pernicious, and so unproductive. No species of adventure is known where the chances are so great against the adventurers; none where the infatuation is more powerful, lasting, and destructive.

"In the lower classes of society, the persons engaged are, generally speaking, either immediately or ultimately tempted to their ruin; and there is scarcely any condition of life so destitute and so abandoned that its distresses have not been aggravated by this allurement to gaming."

Notwithstanding the strong nature of this report, the labours of the committee were fruitless. Various attempts at amelioration were made, but the evil was not finally abolished until 1826.

CHAPTER IX.

WHOLESALE JOBBING — INSURANCE ON SICK MEN—FALSE INTELLIGENCE—USELESSNESS OF SIR JOHN BARNARD'S ACT — ORIGIN OF THE BLACK BOARD — OPPOSITION TO LOANS—LORD CHATHAM'S OPINION OF JOBBERS—INVIOLABILITY OF ENGLISH FUNDS — PARISIAN BANKING HOUSES—PROPOSITION TO PAY OFF THE NATIONAL DEBT—EXTRAVAGANCE OF THE CONTRACTORS—LORD GEORGE GORDON'S OPINION OF THEM—MEMBERS' CONTRACTS—NEW SYSTEM ADOPTED—ABRAHAM GOLDSMID—BANKERS' COALITION BROKEN BY HIM — HIS MUNIFICENCE—HIS DEATH — SENSATION IN THE CITY.

THE following picture of wholesale jobbing, drawn from public and private documents, from correspondence, from newspapers, and from parliamentary history, will show that gambling was equally pursued in high places as in 'Change Alley.

Letters from abroad, containing false intelligence, were forwarded to, or forged by, senators; names of importance were fraudulently used; the news was promulgated, and funds raised or lowered according to the wish of the contriver. But if the jobber was cheated in one way, he took his revenge in another.

The domestics of public men were bribed by him; the secretaries of men in office were paid by him; the mistresses of ministers were accessible to him; and it is said, even their wives were not seldom in the pay of members of the Stock Exchange. Nor did many hesitate to declare that men in office not only made profit of the news they really received, but that they promulgated false intelligence, knowing from their position it would be received as true—at the expense of their own character, and to the ruin of the men who trusted them.

Another practice had obtained a notoriety so bad and baleful, that it became necessary to stop its progress. Directly it was known that any great man was seriously ill, insurances on his life, at rates in proportion to his chance of recovery, were made. These bargains were reported in the papers; and the effect on an invalid who knew his health to be precarious, may be imagined, when he saw in the *Whitehall Evening Post*, that "Lord —— might be considered in great danger, as his life could only be insured in the Alley at 90 per cent." The custom grew so rapidly, and the evil was so serious, that the principal merchants and underwriters refused to

transact business with brokers who engaged in such practices.

Of a less questionable character was the habit of insuring property in any besieged city; or the yet more common mode of paying a premium to receive a certain sum should the city be taken by the day named in the contract. The Spanish ambassador was accused of insuring £30,000 on Minorca, during the seven years' war, when the despatches announcing its capture were in his pocket.

The newspapers were the vehicles generally employed to spread false intelligence; and an almost invariable success attended those who made use of the press to promulgate in bold type and inflated language "bloody engagement," "rumoured invasion," or "great victory," to assist their city operations. Every class, from the maiden who jobbed her lottery ticket, to the minister who jobbed his intelligence, was involved in the pursuit. All these bargains were for time, and continued to prove that the act by which Sir John Barnard hoped to abolish gambling was useless; and it is an anomaly in the history of our great debt, that bargains in the very funds which were raised to support the national credit are disallowed by

the national legislature. It is a law which has been tried and found wanting. It does not prevent in the smallest or slightest degree the system it was meant to crush; and it adds to the immorality of the speculator and the risk of the broker, by allowing the former to repudiate his bargain at the expense of the latter.

Under the early loan acts, tallies were delivered to the first contractors. When a sale was effected, the name of the purchaser was endorsed upon the tally, and from them entered into the government books for the convenience of paying the dividends to the right person. This clumsy machinery was afterwards abolished; but though in 1717 the transfers and dividends of the national debt were first undertaken by the Bank, it was not until 1783 that the present method of transfer was adopted.

The origin of the black board—that moral pillory—of the Stock Exchange, occurred in 1787. "There were no less that twenty-five lame ducks," said the *Whitehall Evening Post*, "who waddled out of the Alley." Their deficiency was estimated at £250,000; and it was upon this occasion the above plan was first proposed, and a very full meeting of the members resolved, that those who did not either

pay their deficiencies or name their principals, should be publicly exposed on a black board to be ordered for the occasion. Thus the above deficiencies—larger than had been previously known — alarmed the gentlemen of 'Change Alley, and produced that system which is yet regarded with wholesome awe.

During the administration of Mr. Pitt, in 1786, a sinking fund was again attempted; the various branches of revenue being united under the title of the Consolidated Fund. One million was annually taken from it, and placed in the hands of the Commissioners for the Redemption of the National Debt, and was applied in purchasing such funds as might be deemed expedient at the prices of the day. The interest of the debt thus redeemed, the life annuities which fell in, or the annuities which expired, were added to the fund, the interest of which, when the principal amounted to four millions, was no longer to be applied to it, but remain at the disposal of parliament.

The difficulties which every minister met in every new loan, were more in proportion to the power of the opposition, than to the fairness or necessity of the demand. In unpopular wars, these difficulties were doubly increased. In the American contest, the

whole population demanded peace; and nothing but the obstinacy of "the best farmer and worst king;" nothing but a corrupt parliament, wholesale places, a dominant aristocracy, and large premiums to the monied interest, could have carried Lord North through the session, enlivened by his humour, and the enmity created by the war. The loans, therefore, of this period were fiercely attacked; Change Alley fiercely denounced; and the plans of the government hotly contested. The mode of conducting the loans was then, as before, made conducive to the majority of the ministry, at the expense of the people. Out of 60,000 lottery tickets 22,000 were given to a few members, producing £44,000 profit. When the system was attacked, precedent, the bane of official people, was quoted; and because it was known that, in 1763, Mr. Fox had £100,000, Mr. Calcraft and Mr. Drummond £70,000, the Governor of the Bank £150,000 for the corporation, and £50,000 for himself, and other members similar sums, it was deemed a sufficient and an unanswerable defence. But though by such methods the minister got the votes of the house, he found it more difficult to get the money from the public after it was voted.

In 1779, he was greatly troubled to procure it on reasonable terms. From bankers he went to contractors, from contractors to Stock-jobbers, and from Stock-jobbers he went back to the bankers, paying a much higher rate than they at first demanded. "It was but yesterday," writes Horace Walpole, "that Lord North could tell the house he had got the money on the loan, and is happy to get it under 8 per cent." The loan of 1780 brought them again into disrepute. Half was given to members of the House of Commons, more than three millions was allotted to one person; and, without regard to the welfare of the nation, the price was determined at a rate so favourable to the contractors, that from no cause save the low terms on which it had been taken, the scrip arose at once to 11 premium. In 1781, it was said that Lord North had made an infamous bargain in a bungling manner, and that, in 1782, he had made a bungling bargain in an infamous manner; and this was solemnly protested against as an improvident operation, a corrupt job, and a partial distribution. There cannot be a doubt that the mode of conducting these loans was detrimental to the national interest, and conducive to that of the Stock Exchange. There were three plans up to

this period. The first was in the offers of private individuals stating the sum each would advance; the second was an open subscription at the treasury; and the third a close subscription with a few. By the first the members of parliament were bribed, and by the third, the bankers, then the principal contractors, were enriched. Their interest, and it was great, with their votes in the house, and they were many, were, therefore, at the disposal of the government. In 1783, out of a loan for 12 millions, £7,700,000 were given to bankers. So disgraceful was the whole affair, that Lord John Cavendish was compelled to apologise for the terms on which it had been granted, because "the former minister had left the treasury without a shilling." By attempting to please men of all parties, Lord John, as usual, pleased none. He was abused by some for dividing it among so small a number; he was rated by others for allowing so many to have a share. Mr. Smith—of the house of Smith and Payne—made a formal complaint that he had been neglected in the allotment; that his firm was the only one left out; and that, in consequence, a stigma of a very disagreeable character was attached to it. By the explanation, it

appeared that another house of the same name had been accused of tempting customers from the various bankers, by giving portions of the loan to those who would secede. The meanness had been attributed to Smith, Payne and Co., and Lord John omitted them in consequence from his list. Mr. Smith was very irate on the subject, and although his lordship explained, as the explanation was unaccompanied by a share of the loan, it was, probably, very unacceptable to the indignant banker. Although this gentleman saw no harm in receiving a portion of the loan, other bankers had higher views; Mr. Martin believing that, as a senator, he ought not to contract, lest it might bias his votes, conscientiously refused to accept any portion of loan or contract; and thus sacrificed his pocket to his principle.

When jobbing occurred in the senate, who can wonder at the jobbing in the funds, or at the strong feeling which such contemptible squabbling created, and which fell upon the members of the House of 'Change as fiercely as on the members of the House of Commons?

"Such gentry," said one, "coin disaster to sink

the funds without cause. If gospels mended mankind, there should have been a new sermon preached on the mount, since 'Change Alley was built, and money changers were driven out of the temple all over Europe." "Ten thousand lies are propagated every week, not only by both sides, but by Stock-jobbers. Those grave folks, monied citizens, contribute exceedingly to embroil and confound history, which was not very authentic before they were spawned."

Lord Chatham was not backward in expressing an opinion of those whom he designated "the cannibals of 'Change Alley." "To me, my lords," he once said, "whether they be miserable jobbers of 'Change Alley, or the lofty Asiatic plunderers of Leadenhall Street, they are equally detestable." The same strong feeling animated him when he was told that one of his measures had caused a decline in the Stocks. "When the funds are falling, we may be sure the credit of the country is rising."

A finer spirit—and that spirit is the principle which has pervaded the whole public transactions of England—was evinced when the same nobleman was

advised to retaliate on the Dutch merchants,—who had committed several outrageous frauds on the English,—by seizing their immense property in our funds. "If the devil himself had money there," he replied, "it must rest secure." To his lordship and to the political assertion he made, that "not a gun should be fired in Europe without England knowing why," it was of the utmost importance that the integrity of the nation should be maintained.

During the American war, many of those in arms had property in the funds; and the provinces as bodies corporate, had money in the same securities. It is to the credit of the revolutionists that, though they fully expected this property would be confiscated, they persisted in their course; and it is equally to the credit of England, that their capital was as secure and their interest as regularly paid as if they were not in open rebellion.

Not only in loans were the people wronged and robbed,—the word is harsh, but expressive,—the contracts for the public service exhibited also the most gross and glaring favouritism. From time to time the evil was exposed; parliament grew violent, and the public waxed wroth. Every quarter of a century an

inquiry was instituted, and the whole ended partly in some influential person being disgraced, and partly in an expression that "the said frauds and abuses were one great occasion of the heavy debt that lies upon the nation." A few specimens may serve to indicate the wrongs which from time to time have aggrandized an unpopular government, have swollen the pockets of the few, and increased the wants of the many.

The borough-monger who for years had been in possession of a pocket borough found his property disturbed, and his constituents tampered with, by the contractor, who, as a candidate for the honour of the forum, was marked by vice, extravagance, and folly. As a member of the senate, he assumed the purity of the patriot, complained of the absence of economy, and declared how much cheaper the public business might be accomplished. He teased the minister; he perplexed the parliament; he puzzled the government; until, by giving him a job, the patriot was turned into a contractor, and from that hour he marked the public money as his own. If the first lord of the treasury were indolent, the contractor availed himself of his sloth; if ignorant, he taught him, and made the country pay for the lesson.

The very name of a contractor was odious, and their luxuries were bitter in the eyes of the people. Their abodes were like those of princes: their daughters wedded with nobles; the follies of their sons were the talk of the town; they died possessed of fortunes which kings might envy; and, as nearly all were members of parliament, attention became pointed at men whose mansions and whose manors bought with public money, challenged public notice.

"The minister," remarked Mr. Fox, "said to him, 'I will give you a contract, if you will give me a vote.' The contractor replies, 'Now I have given you a vote, give me a contract. I voted that we had forty-two ships when we had but six, and that the French fleet did not consist of thirty-two ships. You must not, therefore, quarrel for twopence a gallon on rum, or a farthing on a loaf of bread.'"

Lord George Gordon, shortly before his extraordinary conduct in 1780, said: "This dunghill of contracts has given an ill air to our whole proceedings. It has got abroad, and proves very offensive to the public nostrils. Our constituents begin to smell a rat. They nose us in the lobby, and call us tailors and shoemakers, coblers and cabbage-salters, potatoe for-

stallers, sour-krout makers, and swine contractors. The dignity, reputation, and fair fame of the Commoners is smothered and sinking in porter and salted cabbage, shoes, sour-krout and potatoes." Lords of trade ordered pewter inkstands by the hundred, sold them, and purchased silver ones with the money they produced; or ordered green velvet bags for official papers, and employed the velvet of which they were composed to make court dresses.

Under the Pelham administration members received regular stipends in bank notes, from £500 to £800 yearly, varying according to the influence or ability of the senator. "This largess I distributed," added the person who took charge of the delicate department—and the particulars are worth enumerating—"in the court of requests on the day of the prorogation of parliament. I took my stand there; and as the gentlemen passed me, in going to or returning from the house, I conveyed the money in a squeeze of the hand. Whatever person received the ministerial bounty, I entered his name in a book which was preserved in the deepest secresy, it being never inspected by any one but the king and Mr. Pelham." This book was afterwards demanded of Mr. Roberts,

the almoner, but he resolutely refused to yield it except by the king's express command, or to his majesty in person. In consequence of his refusal, the king sent for him to St. James's, where he was introduced into the closet. He was then ordered to return the book in question, with which injunction Mr. Roberts immediately complied. At the same time, taking the poker in his hand, his majesty put it into the fire, made it red hot, and, while the ministers and Mr. Roberts stood round him, he thrust the book into the flames, where it was immediately reduced to ashes.

These evils were so manifest and manifold, that, after various attempts to pass a measure which should be some check on government, a bill was introduced, by which all contracts were made subject to a species of auction, although the minister was not compelled to accept the lowest offer.

During the debates which were held upon the subject, many other facts were elicited, which confirm all the previous remarks, and prove the iniquity with which the money of the country was disposed of. One member possessed a contract producing £30,000 a year more than the legitimate profit. Mr.

Alderman Harley made £37,000 too much by another. On a contract for remitting gold, £35,000 was paid more than was necessary. At an earlier period it was discovered that, out of 16,000 tons of beer contracted and paid for, only 7,000 tons were delivered. The rum contract was granted at 50 per cent. above a remunerating price. The transport service paid 20 per cent. too much. Millions were lying for years in the hands of favourite placemen, favourite agents, and favourite contractors, while the country was borrowing at an exorbitant interest; and, after a careful perusal of the evidence, there can be no doubt that the charge of corrupting the House was true; nor was it in the nature of a member of parliament in the eighteenth, any more than in the nineteenth century, to possess profitable contracts, the continuation of which depended on war, and yet speak honestly and earnestly for peace.

The names of Abraham and Benjamin Goldsmid will recall to the memory of many of our readers the forms and features of these magnates of the money market. Of singular capacity, and of equally singular good fortune, the firm of which they were the members rose from compa-

rative obscurity to be the head and front of 'Change Alley.

Prior to 1792 they were little known—Mr. Gurney, the eminent bill-broker, regards them as his predecessors—but by that year they occupied an important position, and became successful competitors for the national loans. They were the first members of the Stock Exchange who competed with the bankers for the favours of the chancellor, and diverted from their purses those profits which were scarcely a legitimate portion of banking business. The combination of that interest being thus broken, the bargains for public loans became more open; there was no confederation to limit and lower the prices; and the ministry and country reaped the benefit in improved terms. The house of Sir William Curtis, whose fortunes were founded in this manner—of Dorrien and of Boldero, names which, great in their day, have almost passed from the roll of city bankers—of Grote, now better known as the philosophical historian of Greece—were all competitors, three quarters of a century ago, for those loans which the necessities of the country made so frequent. Nor were people wanting who openly accused the entire banking interest of an unfair confe-

deration to realise their views. This interest was first attacked by the boldness of Abraham and Benjamin Goldsmid; and it is easy to imagine the feelings of the bankers when unknown men reaped the prize which they had hitherto gathered.

The daily papers bore an almost daily testimony to their munificence. Naturally open-handed, the poor of all creeds found kindly benefactors. On one day the grandeur of an entertainment to royalty was recorded, and on the next a few words related a visit of mercy to a condemned cell. At one time, mansions, vieing in architectural beauty with those of our nobility, were described; at another, some great and gracious act of charity was recorded. Entertainments to princes and ambassadors, reviving the glories of the Arabian Nights, were frequent; and galleries, with works of art worthy the magnificence of a Medici, graced their homes. They were awhile Fortune's chief and most especial favourites. When, in 1793, the old aristocracy of England's traders fell, as in 1847, and the bank in one day discounted £4,400,000, their losses amounted but to £50. Prizes, under circumstances little inferior to romance, followed their purchases of lottery tickets; and they knew

as if by instinct a bill of exchange with a bad name to it.

The brothers had faced the storm of life in their earlier years. Fortune, which crowned their efforts, proved that prosperity had no power to divide them; and when, in the early part of the nineteenth century, Benjamin Goldsmid destroyed himself, the survivor felt the loss so severely that he never recovered the shock. The death of Benjamin caused no abatement in the benevolence of Abraham Goldsmid; and one who knew him well has written with enthusiasm of his "general philanthropy, his ready munificence, his friendly demeanour, his mild and unassuming manner."

Many anecdotes, singularly illustrative of his kindly feeling, are still remembered. It is stated that on one occasion, noticing a great depression in the waiter who usually attended him where he dined, he inquired the cause, ascertained that it was pecuniary, gave the astonished man double the amount he required, and refused to listen to the thanks of the recipient. Another story is extant to the same purport. He became acquainted by accident with one of those simple and single-minded country curates, whose

poverty was the disgrace, and whose piety was the glory, of the Church of England. This was the man for Abraham Goldsmid at once to appreciate and to benefit. He obtained all necessary particulars, and in a few weeks a letter was received which told the curate he had been allotted a share of a new loan. The letter was a mystery to the country clergyman, who placed it on one side, with a confused notion that a hoax was intended. He had not long to wait. The next day brought a second letter, and with it comfort and consolation in the shape of a large sum which had been realised on the allotment. These things are pleasant to record; and it is doubtful whether the cheque gave most pleasure to the wealthy Hebrew to write, or the country curate to receive.

In 1810, the houses of Baring and Goldsmid were contractors for the ministerial loan of fourteen millions. But Sir Francis Baring dying, the support of the market was left to his companion. The task was difficult, for a formidable opposition had arisen, which required the united energies of both houses to repress. It was the interest of this opposition to reduce the value of scrip, and it succeeded. Day by day it lowered; and day by day was Mr. Goldsmid's fortune

lowered with it. He had about eight millions in his possession; and with the depression of his fortune his mind grew dispirited and disordered. Another circumstance occurred at this particular moment to increase his embarrassment. Half a million of exchequer bills had been placed in his hands to negociate for the East India Company; and the latter, fearing the result of the contest on the Stock Exchange, claimed the amount. His friends did not rally round him as at such a moment and with such a man his friends should have done; and Abraham Goldsmid, dreading a disgrace, which his sensitive and honourable nature magnified a hundredfold, after entertaining a large dinner party, destroyed himself in the garden of his magnificent residence, in Surrey.

This sad event created a sensation in the city, unparalleled by the loss of any single individual. The death of the great loan contractor was regarded as of national importance. Expresses were sent with the news to the king and the Prince of Wales. The funds fell 3 per cent. The Journals united in eulogizing the man whose death they recorded. The jobbers of Capel Court crowded in anxious enquiry. The merchants of the Exchange assembled before the

accustomed time. The thoroughfares resounded with rapid questions, and hurried replies. Little or no business was done; and it is said, the great question of peace or war never created a similar confusion. The jury recorded their opinion; and, when the remains were carried to their home, the procession was followed by a crowd who, partaking of his charity in life, thronged to honour him in death. Sobs and suppressed means attested the reality of their sorrow, and bore a fitting testimony to his worth. The high-priests and elders paid every distinction which the Mosaic ordinances allowed, but, in conformity with the commands of the great law-giver, they withheld from him the customary rites; and unconsecrated ground received the remains of Abraham Goldsmid the Hebrew suicide.

In 1792, another sinking fund was established of 1 per cent. on the nominal capital of each loan, to which the interest on the capital redeemed by this fund was to be added. When annuities for lives, or for a longer term than forty-five years, were granted, the value which would remain after forty-five years was to be estimated, and 1 per cent. on that value set aside for their redemption. This

fund was to be kept separate, and applied to redeeming debts contracted subsequent to its institution; and this, it was estimated, would redeem every loan in forty-five years from its contraction. £400,000 was granted in aid of the previous sinking fund; and £200,000 annually till 1802, when the grant was rendered perpetual. All money saved by the reduction of interest was also to be added; but as no savings occurred, this clause might as well have been omitted. In 1798, however, the application of 1 per cent. on the capital of the loans was deviated from, as the claims of the war were too pressing to allow of its application.

CHAPTER X.

CURIOUS FORGERY—ITS DISCOVERY—LOAN OF 1796—ITS MANAGEMENT—FRENCH REVOLUTION AND ITS EFFECT—LIST OF SUBSIDIES TO FOREIGN POWERS—REMOVAL OF BUSINESS FROM 'CHANGE ALLEY—ERECTION OF THE PRESENT STOCK EXCHANGE—LOYALTY LOAN—PRELIMINARIES OF PEACE—ITS EFFECT—HOAX ON THE STOCK EXCHANGE—WAR RENEWED—GREAT FRAUD ON THE JOBBERS—ITS DISCOVERY—RIGHTS OF STOCK-BROKERS.

On the 2nd November, 1793, as Mr. Martin, broker of 'Change Alley, was occupied in his business, he was applied to by a young man of somewhat effeminate appearance and of good address, to sell £16,000 scrip. As Mr. Martin was explaining to the applicant that an introduction was necessary, a Mr. Lyons, also a member of the Alley, esteemed a reputable person, passed, and the young man, to remove Mr. Martin's doubts, immediately pointed to Mr. Lyons, as thoroughly aware of his respectability. The latter, on being questioned, said he knew the stranger intimately, at the same time expressing his dis-

satisfaction at not being employed by him. The introduction was sufficient for Mr. Martin, and he sold that day £10,000 out of the £16,000 intrusted to his care. The seller, by some curious chance, or for some subtle reason, did not make his appearance to receive the proceeds, nor did he leave an address to which it might be sent. On the following morning, however, Mr. Martin received a visit from him at his private residence; but on being informed that the whole of the Stock was not sold, his demand for payment was delayed. The day on which the remainder of the scrip was disposed of was a holiday at the Bank, and from this simple circumstance arose the discovery of a curious fraud. The business at the Stock Exchange on public holidays is trifling, and the buyer, instead of hurriedly depositing the scrip in his pocket-book, had leisure to remark that there was some irregularity about it. Mr. Martin at once stepped over to the Bank, checked the document, and discovered the forgery.

The scheme to which this gentleman had so nearly fallen a prey, was cunningly contrived. The effeminate applicant to Mr. Martin was the sister of Lyons, disguised in male attire—Lyons having placed himself

in the way at the proper moment to give the necessary character; and had it not been for the chance circumstance alluded to, would have profited largely by the deceit. The scheme failed; Lyons was apprehended; and rather than give his sister the affliction of appearing against him, he pleaded guilty; thus sacrificing the slight chance of life which remained, to spare the feelings of her whom he had betrayed into crime.

In 1796 a loan for 18 millions was proposed. The usual inquiries were made by the interested parties, and the Chancellor of the Exchequer positively declared that it should be conducted upon principles of free and open competition. The day was appointed to arrange its preliminaries. Mr. Mellish, Mr. James Morgan, and Mr. Boyd were competitors; and when they had assembled, Mr. Boyd requested a few words in private with the chancellor. The request was granted; and the surprise of Messrs. Mellish and Morgan may be conceived, when the chancellor, on returning, proposed that, if the latter bid for the loan, Mr. Boyd should be at liberty to supersede them on paying half per cent. above the highest offer. This was decidedly and indignantly refused; and the chan-

cellor, without any other proposition, at once agreed to take the terms offered by Mr. Boyd, although it was fully understood by all that there should be no final settlement on that day.

The real causes of this extraordinary proceeding are difficult to ascertain; but the excuse offered by the chancellor was, that Boyd had some claim on government, in consideration of the previous loan not having entirely expired. Allowing this, the state had no right to remunerate Mr. Boyd at the expense of others; and as very little of the previous scrip remained in his possession, it was, whatever partizanship might allege in excuse, a gross dereliction of public duty, and a great misdirection of public interest, to allot a loan without competition, at a loss of £499,500 to the public. At any rate the contract was notified as open, the Governor of the Bank was authorized to declare it so, and the chancellor expressed no doubt upon the subject.

There was much comment at the time. There was also a curious story in circulation of bills to the amount of £700,000 having been drawn on the treasury in fictitious names, and with fictitious dates; and it was asserted that, when the loan was contracted,

it was absolutely known by the cabinet that the king's speech would inevitably raise the funds, and add 5 per cent to the gains of the contractor. Before the first payment, £2,160,000 was the profit on a contract for 18 millions.

During the loans so frequently mentioned, it was curious to witness the bidders arising at early dawn; waiting from two until ten in the morning, and then see them rush with all the eager impetuosity of gain, to grasp a share of the proffered good.

When it became known that on the 12th May, 1789, an insurrection had broken out at Paris, it was but little imagined that its effects would press upon the resources of England for ever; increase her taxation, and embarrass her councils: and as news came from time to time of the excesses of the mob, the destruction of the Bastille, and the murder of the monarch, it was received in accordance with the political principles of the listener.

The first effect of the revolution shook the state to its foundation. A strong democratic tendency passed through Europe, and England shared the peril. A feeling of public wrong was prevalent. A fierce movement convulsed the populace. Debating societies

were established, and the misgovernment of the nation was exposed. The public-houses were filled with orators, and the cry for reform was incessant. The press teemed with warnings and appeals. Societies corresponding with the Jacobin clubs of Paris were established. Some of the first men in England welcomed the revolution with enthusiasm, while the masses hailed it with delight. The convention was congratulated; and it is surprising that, with democratic principles, a democratic spirit, and a numerous array of men of rank on the popular side, England should have preserved her constitution.

William Pitt—the minister of the day—took a bold and determined position. "It is not reform they want," he said, "it is revolution. They wish to re-act the troubles of France; to murder the king; and establish a republic." The people petitioned, and were neglected. They agitated, and were punished. The youth of England clamoured for more freedom; and revolutionary principles spread far and wide. Persons of rank and property were alarmed, and formed associations against anarchists and levellers. Parliament was summoned before its time; the Alien bill was passed; the naval and military forces

were augmented; and when the French convention declared they would assist the disaffected subjects of all monarchical governments, the English ministry demanded a disavowal. The demand was refused; the French ambassador was ordered to leave the kingdom; and in 1793, the war which added so terribly to England's encumbrances, was declared.

At this time the position of revolutionary France was remarkable. From the commencement of the change the princes of Europe regarded it with dislike; and the death of Louis was sufficient to decide all crowned heads against the movement. So soon, therefore, as war was declared, treaties were formed with the principal continental powers. In six months seven treaties of alliance and six of subsidies were concluded. Sweden coalesced with Russia, Prussia, and Austria. The German empire followed. Bavaria, Suabia, and the Elector Palatinate joined the hostile league. Naples followed the example of the Holy See; and the young republic, menaced from without and divided within, saw her territory invaded by half a million of the most warlike troops in Europe.

But the danger was met boldly. The combined armies which were to destroy democracy and establish

kingly supremacy were checked at the first onset. The republic resolved to conquer, and the waste of life was disregarded. Conscriptions were frequent; reinforcements arrived constantly; and the army of the allies gave way. But to roll back the tide of war was insufficient for a victorious and a military people. The invasion was carried from their soil, and the invaders were dishonoured on their own hearths. A great man had arisen; and Italy fell before the genius of Napoleon. Holland was conquered; Prussia and Spain sued for peace; the savage Russ and the disciplined Austrian alike gave way before the fierce enthusiasm of the soldiery, and the greatness of the captain.

In the meantime, the aspect of affairs in England was alarming. Ineffectual trials for high treason agitated the people. Every effort to pervert casual discontent into determined rebellion was made. The price of provision was high; the system of subsidies impoverishing; and taxation saddened the homes and hearts of the people.

The emperor had received seven millions, Prussia a million and a half; and a host of minor powers had coalesced from similar causes. But if the trials of the people were fearful, the difficulties of the government

were numerous. Disaffection among the populace, a powerful and organised opposition within the House, a general hatred of the war without, an oratory unsurpassed in the senate, an invective unsurpassed in the street, an empty exchequer, a starving people, and quarterly loans,—were difficulties which even the fine eloquence of William Pitt, and the large majorities he commanded, found it hard to surmount. Riots which endangered the royal person ensued; hundreds of thousands clamoured against the taxation which oppressed them; and England seemed on the brink of revolt.

But a yet more dangerous era awaited the land. The navy, which had saved us from invasion, mutinied; the gold of the country followed her subsidies; the bank of England ceased to pay her notes in specie; the power of France increased; Austria only remained to check the republic on the continent; and Lodi witnessed a defeat which paralysed the imperial power. The passage of the Alps followed; and within thirty miles of his capital humiliating terms were dictated to the Emperor of Austria.

England now stood alone against France. An invasion was threatened; but it stirred a spirit of resistance

which will long remain a memorable passage in English history. Every village had its volunteers, every corporation its company; and, whatever their defects may have been in the eyes of military science, there was scarcely a man who would not have marched to certain death to preserve the freedom inherited from his fathers. Song and sermon alike inspirited them; night after night watch-fires were prepared on the lonely hills of the country; and the slightest sound or symptom of invasion would have called forth its devoted sons and servants.

These things are greatly to the praise of our countrymen; and the following list of subsidies, up to 1801, will prove it was no trifle with which they contended, when they strained every power to meet the financial difficulties of the time:—

Prussia	1794	£1,223,891	10s.	6d.
Sardinia, 1793 to	1796	500,000	0	0
Emperor, 1795 and	1796	6,220,000	0	0
Ditto	1797	700,000	0	0
Portugal	1797	247,205	0	0
Ditto	1798	120,013	13	0
Russia	1799	825,000	0	0
Emperor and Elector of Bavaria		500,000	0	0
Emperor		1,066,666	13	4
Russia		545,494	0	0
Bavaria		501,017	6	0
Emperor		150,000	0	0
		£12,599,288	2	10

But though England witnessed the power of the republic aggrandised on the continent—though the blood she had shed and the money she had spent were ineffectual on land—she yet retained her ancient supremacy at sea. The name of Nelson was a word of dread; and the maritime force of France was crushed by that victory which crowned a series of splendid successes in the bay of Aboukir, and which, known as the battle of the Nile, went like a trumpet call throughout Europe. The despondency of the continent passed away; the system of coalition, so dear to William Pitt, was again called forth; and Austria, Russia, Turkey, and Naples once more joined the victorious island. Loans were again made: Germany had another million, Russia half that amount, and other sums passed to other powers. But the exertion was vain—the loans were fruitless; and in 1802 that peace, of which it was said "every man is glad, but no man is proud," was concluded in the treaty of Amiens.

In the same year the sinking funds were united, to assist in discharging the debts then existing; and 1 per cent. on loans subsequent to 1802 was again appointed, to swell the amount. This fund at its commencement was limited to four millions, but this

limitation was repealed; and the application of expired annuities, and of saving by the reduction of interest, were also repealed.

In the latter part of the century a beneficial change was made in the provision for the naval expenses. Prior to this period £4 per man per month was the allowance to meet the entire cost of the department: after this time the expenses of the navy were supplied, like other charges, from the loans periodically raised.

Though the discontent of the English people was often roused, yet the stories which were occasionally circulated, of forced loans in France; of Parisian banking-houses being surrounded by soldiers; of money chests violated, and of monied men plundered,—had considerable effect in quieting them. It is probable that many of these were inventions—some of them were understood to be so; but when it is known that entire yearly incomes were often collected, and called income-tax, there are few financial follies of our neighbours which we should not be inclined to credit.

A curious proposition to pay off the national debt was very seriously made in 1798. A profound disquisition upon the evils which arose from it, and the ruin to which it was leading, was followed

by an intricate array of figures, a close calculation of the population, and an analysis of their incomes. Somewhat excited by the grave beginning, the public were not a little disappointed to find that, by deducting one day's provision per week for a certain time, and allowing compound interest on it, the great financial difficulty of the day might be overcome. The volume was privately printed, in quarto, at considerable expense; but whether it emanated from a lunatic asylum, or whether it sent the writer to one, cannot be ascertained.

It must be evident from the brief record of the war just given, that business in the funds had increased greatly. Prior to 1801 the market of 'Change Alley, in the coffee-house where the brokers met, was, as a public place, open to any who chose to make it his resort. The jobber who reckoned his transactions by hundreds of thousands, was jostled by the man who was disposed, either morally or materially, to pick pockets; while the loans which had increased the national debt to 550 millions—the exchequer bills, which were circulated as freely as the government dared—and the companies, which were augmented in proportion—formed an amount of business that, in

the opinion of the principal persons, demanded a building to bear some proportion to the importance of its transactions. It was resolved, therefore, to choose a plot of ground as near the Bank as possible, and to meet the required expenses by private subscription. Whatever errors may be indigenous to the Stock Exchange, illiberality can scarcely be classed among them; and, so successful were the proceedings, that on the 18th May, 1801, Mr. William Hammond, chairman of the committee of management, laid the first stone of the first building erected exclusively for the business of the Stock Exchange. Beneath the stone, the following inscription, engraved on copper, was placed:—

"On the 18th of May, in the year 1801, and forty-one of George III., the first stone of this building, erected, by private subscription, for the transaction of business in the public funds, was laid, in the presence of the proprietors, and under the direction of William Hammond, William Steer, Thomas Roberts, Griffith Jones, William Grey, Isaac Hensley, Jo. Brackshaw, John Capel, and John Barnes, managers; James Peacock, architect. At this æra, the first of the Union between Great Britain and Ireland, the public funded debt had accumulated in five successive reigns to £552,730,924. The inviolate faith of the British nation, and the principles of the constitution, sanction and secure the property embarked in this undertaking. May the blessing of that constitution be secured to the latest posterity!"

To secure respectability in the members, vote by ballot was adopted, and ten guineas per annum fixed on as the subscription.

The peace of 1801 was a welcome respite to all save the members of the Stock Exchange; where it was said, "There were not commissions sufficient to pay for summer excursions, nor confidence enough to make a bankrupt." Great efforts had been made to reduce the price, which continued to ascend; although Goldsmid was said to have stood in the market and sold to any amount at the lowest price of the time. The attempt proved vain; and the endeavour to control public opinion was paid for by this house to the amount of £180,000.

It was difficult to believe, at first, that war had really ceased. There was a continued excitement until the treaty was signed; all places of public resort were thronged with inquirers; betting ran high about the articles; the chances of exchequer bills and new lotteries were discussed; and when the truce was announced in the city, it was also announced that the preliminaries of a new loan would be arranged. Talleyrand was talked of as having employed his information and capacity in gaining large sums; foreigners generally were busy in making or marring their fortunes; and it was ascertained that, in 1803, they held upwards of eighteen millions of government

securities. When it was known that the preliminaries were signed, the tumultuous joy of the nation is beyond expression; and Lloyd's was instantly crowded. The people ran about, congratulating one another on the happy event; the different steeples displayed the union-flag by day, and at night a general illumination took place; consols rose from 59 to 66½, and there were twenty-one defaulters on the next settling day.

The loan, known as the loyalty loan, attracted much attention in the early part of the century. The period at which it was contracted was a critical one for the empire. Abroad, Prussia and the princes of the empire had withdrawn from the confederacy against France; Austria demanded assistance; Holland was bound by fear to the French republic. Stagnation of trade, scarcity of specie, want of provisions, and discontent among the people, marked the period at home. The supplies for the year were difficult to obtain; an appeal was made to the loyalty of the nation, and that appeal was answered. Some subscribed in the hope of gain; others to curry favour; and with all these various interests, eighteen millions were subscribed in a few days. As an additional inducement, it was promised that the capital, if claimed, should be

repaid within two years after a definitive treaty of peace. The peace of Amiens came in 1802, and the holders were, therefore, entitled to demand on 27th March, 1804, £100 sterling for each £100 Stock, although the latter was at a heavy discount. It need hardly be added, that the claim was made: and as money was not sufficiently plentiful, it was arranged that for every £100 of the 3 per cent. loyalty loan, £100 navy,' 5 per cent. should be given, and for the difference between the money price of the latter and £100 sterling, the holder should receive the amount in 3 per cents. The whole entailed a heavy loss upon the country, and this was more to be regretted, because upwards of 8 millions of this loan had been gathered by the Jews, and by two city banking-houses.

A few months evinced the uncertainty of the peace. Jealous and watchful, both powers stood ready to renew the combat. The first consul insulted our ambassadors; dismantled fortresses; annexed whole countries to France; sent armies against the free citizens of Switzerland; demanded the banishment of French emigrants, and the abridgment of the liberty of the press; until, unable to subdue their passions,

the love of peace which had once swayed men's minds, changed to a fierce desire for war. In May, 1803, the English ambassador demanded an explanation, and was insolently told that Great Britain was unequal to cope with France.

During this period, great anxiety prevailed throughout London, concerning the completion of a negociation on which so much depended. The more thoughtful hoped that the peace of the world would not be disturbed; and great was the pleasure, therefore, of these good citizens when,on 5th May, 1803, in passing the Mansion House, their attention was arrested by the following letter, conspicuously displayed in the place usually allotted to important information. It was short, but to the purpose:—

"Lord Hawkesbury presents his compliments to the Lord Mayor, and has the honour to acquaint his lordship, that the negociation between this country and the French republic is brought to an amicable conclusion."

The glad tidings soon reached the Stock Exchange, and the funds rose to 70 on the opening of the market. In a short time, however, suspicion was aroused. Men doubted, though they scarcely knew why; and the price fluctuated with a downward tendency. Many of the members, as they arrived from their residences at the West, where the news ought to have

reached, were utterly ignorant of the intelligence. The faith of the bulls failed them, and the boldness of the bears increased. It soon became confidently asserted that the news was fictitious; and when the treasury received information of the report and its origin, a letter was sent by the authorities, terming the important document a scandalous forgery. Amid a confusion, an uproar, and a noise, at that period unprecedented, the lord mayor communicated in person the contents of his second letter. Business was immediately suspended; the guilty and the guiltless were alike suspected; and when a price was named, it was at a reduction of 7 per cent. A subscription was entered into to assist in discovering the parties implicated; all bargains were declared void; and the only important result was in a number of actions at law, the benefit of the legal profession, and the impunity of the projectors.

The sixteenth of May was a memorable period for the country and for the Stock Exchange. The personal insult offered by the French Consul to the representative of his majesty; the evident determination of the same people to break all ties and truces, rendered an appeal to arms once more neces-

sary; and on that day the fierce and fatal war which followed the truce of Amiens; which desolated the fairest fields of Europe; which crushed the ambitious man who provoked it; and which added two hundred and sixty-three millions to the national debt, was proclaimed.

In 1806, Joseph Elkin Daniels, a conspicuous character in the Alley, and known for some time as a dealer in securities, availed himself of the confidence of the members of the Stock Exchange, to perpetrate a fraud as novel as it was notable. As a dealer in the funds for time he was well known; and his frequent transactions, combined with the trust which his character had achieved, gave his broker a confidence in his proceedings of which he proved utterly unworthy. The time was an important one. The continent was struggling against the iron yoke of Bonaparte. Austria was making that last great struggle with her enemy which ended at Austerlitz; rumours were plentiful, and the price of Stock varied greatly—when the man Daniels came to the broker, and desired him to buy omnium on account. The price was high, but his request was complied with. Omnium continued to advance, and Daniels con-

tinued to buy, although the price increased from 10 to 13 premium. When the broker had completed his orders to the amount of £30,000 he grew anxious for his money, and applied for payment. Daniels, however, quieted him by saying, he was so sure the price would rise, that his friends would lend him on the security of the stock, to enable him to make the most of his speculation, and that he should, therefore, hold the entire amount. The statement seemed a fair one. Daniels was believed to be honest, and the broker handed him £30,000 omnium, for which Daniels gave him his draught on Smith, Payne, and Smith.

The first part of this man's fraudulent scheme was now acted. He knew the cheque would not be presented until the afternoon, and that he was, therefore, free from danger for a few hours. He immediately took the omnium to other brokers, represented to them an urgent necessity for money, sold it, and having been paid cheques for the amount, immediately presented them to the bankers on whom they were drawn, and received the amount in cash. He then went to all whom he knew, or would trust him, borrowed money on the security of his own cheque—

a common practice on the Stock Exchange—with remarkable boldness; remained in London until near the hour when he knew his own draught would be presented and refused, and then left, laden alike with gold and a guilty conscience.

The total amount of fraud was estimated at £50,000. Telegraphic notices were transmitted to the principal ports of the United Kingdom; the lord mayor dispatched officers in all directions; the chief sufferers went express to various places, on the chance of detaining him; and every exertion was made to bring to justice the man who had violated every principle of common honesty, and so greatly shaken the honourable confidence of the members of the Stock Exchange. Two thousand seven hundred pounds which he had strangely left at his bankers were attached; two hundred guineas were offered for his apprehension; his lodgings were examined, and the property found was seized by the officers of justice.

The search was too active not to be successful; and Daniels was discovered in the Isle of Man. Here a new difficulty arose. The Manx laws protected the culprit, the governor's permission being required to apprehend him; and, when procured, so numerously

was the island peopled with men like Daniels, that the officers, afraid of arresting him in open day, took advantage of night to remove their prisoner. The proceeds of the robbery were found; and when his departure was known, the island rose tumultuously at the violation of a right on which the safety of half the population depended.

Great excitement was caused by his arrival in England; but, after a careful legal consultation, it was decided that he could not be convicted on any criminal charge; and Joseph Elkin Daniels escaped the legal penalty of that fraud which gave so severe a shock to the members of the Stock Exchange.

In the same year, it was ascertained that the amount of foreign property in the British funds was twenty-two millions; and it is scarcely out of place to mention that, by some patient calculator it was found that one guinea, invested at the Christian era, at 5 per cent. compound interest, would have increased to a greater sum than could be contained in five hundred millions of earths, all of solid gold.

In the early part of the present century an attempt was made to resist the tax paid to the city, of forty shillings per annum, by stock-brokers, as unreasonable

and unjust. Various members of the body refused to pay; the corporation and the brokers were at issue; and, in 1805, a hundred summonses were applied for, though a few only were granted, to test the disputed right. Among these was one to Francis Baily, who undertook the championship; and from the conviction that the claim was unjust, refused in the above year to pay the sum demanded. As the justice, though not the law, is yet doubted by some, a brief retrospect of the various acts affecting brokers may not be out of place.

The act of 8 and 9 William III., c. 32—alluded to in an earlier part of the volume—was the first that could affect stock-brokers, as in that reign they and their misdeeds began to flourish. The following forms a portion of the preamble to the act:—

"Whereas divers brokers and stock-jobbers have lately set up and carried on most unjust practices, in selling and discounting tallies, bank stock, bank bills, shares and interest on joint stock, and other matters, and have and do unlawfully combine to raise or fall the value of such securities, for their own private advantage; and whereas the numbers of such brokers and stock-brokers are very much increased within

these few years, and do daily multiply,—be it enacted, that from and after May, 1697, no person shall act as broker until licensed by the lord mayor and court of aldermen of the said city of London.

"That the number of brokers shall not exceed one hundred, and that the admittance fees shall not exceed 40s.

"That the names of the brokers shall be publicly affixed on the Royal Exchange, in Guildhall, and other public places in the city.

"That any persons acting as broker without being admitted as aforesaid, shall forfeit £500, and persons employing them £50; and that any person not being a sworn broker acting as such, shall forfeit £500, and for every offence stand three times in the pillory.

"That all brokers shall keep a book, to be called the Brokers'-book, to enter contracts, and in cases of omission, forfeit £50 for every offence.

"That they shall not receive more than ten shillings per cent. for brokerage. That if they shall deal in any articles on their own account, they shall forfeit £500, and never act as brokers again.

"That no person buying or selling tallies,

corn, or any other provision, or coal, shall be esteemed a broker within the meaning of the act.

In 1707 this, which was for ten years, expired; and although various petitions, according to the interest of the petitioner, were presented, it was not renewed. A new act was then brought in, by which a yearly tax of forty shillings was levied against all brokers; and it is doubtful whether this would have been passed, had not a deficiency been created by the repeal of one concerning specie.

In 1711, a committee of the House was appointed to consider the acts relative to brokers; and a recommendation ensued to revive the act of 1697. In compliance with this, a bill was brought in, read a first and second time, but was not passed; and in the reign of Queen Anne the charge for brokerage of 10s. per cent. was reduced to 2s. 9d. It is now 2s. 6d.

In 1746, and in 1756, new bills were brought in, but rejected, which materially affected stock-jobbers; and in 1765 it was ordered that a bill be brought in to restrain the ill practices of brokers; but this, like the others, was not passed.

The ground of defence occupied by Mr. Baily was somewhat subtle. In 1806, this gentleman published a

pamphlet, called "The Rights of Stock-jobbers Defended," in which he explained his principles of action, and detailed the course which had been taken. He says: —"The right of the city of London to call upon stock-brokers to be sworn in before the court of aldermen, has long been contested and opposed by that body. It is resisted by them, in the first instance, under the impression that they are merely agents, and ought not to be considered as brokers more than many other persons, who, under the name of tailors, merchants, and tradesmen, act by commission in the purchase and sale of goods."

With these ideas Mr. Baily contested the right—not, as those who knew him will readily credit, from narrow views or confined notions—but because he believed he was supporting a principle founded in justice. These views, however, he found it impossible to maintain. A case was produced by the city, in which it was decided that a person buying and selling stock came within the meaning of the act; and the efforts of Mr. Baily proved futile.

For those who feel disposed to investigate the subject, a list of acts relating to brokers will be found in the Appendix.

In 1807, Lord Henry Petty proposed a new plan for a sinking fund; which, however, was only a revival of the principle of borrowing with one hand, and spending with the other; and, as the ministry which planned it were not long in office, it was not continued after the first year.

CHAPTER XI.

UNFOUNDED CHARGE—JOINT STOCK COMPANIES—SPECULATORS—MARK SPROT—SKETCH OF THE HOUSE OF BARING—POLICIES ON THE LIFE OF BUONAPARTE—RUMOURS OF HIS DEATH—DAVID RICARDO—FORGERY OF BENJAMIN WALSH—EXCITEMENT OF THE NATION—INCREASE OF THE NATIONAL DEBT—SINKING FUND—UNCLAIMED DIVIDENDS—FRANCIS BAILY.

ALTHOUGH shares in Life Assurance Companies form part of the professed business of the Stock Exchange, yet the better class rarely reach the hands of the brokers. They are held in such high and deserved estimation that they remain in the possession of families for generations, passing as heir-looms, with the same confidence in their value as if they were freehold. As an instance of this, it was noticed in the papers that the first public sale of the stock of the Royal Exchange Assurance Corporation occurred in 1812.

The charge of employing official information to speculate in the funds has often been brought against public men. These accusations have often been

made with cause, but generally with caution. In August, 1805, however, a letter was received by the head of the government, signed by Ambrose Charles, a clerk in the employment of the directors of the Bank of England, in which Lord Moira, a cabinet minister, was accused of availing himself of his official information to speculate in the stocks. The name of the broker employed by his lordship was given; and letters which implicated him were said to have been publicly exhibited on 'Change. The underlings of newspapers were declared to be in communication with the accused nobleman; and the document concluded with the offer of proving these assertions, should Lord Grenville require further information.

The letter was too important to be overlooked; and the prime minister gave the required interview to the writer, who, persisting in his assertion, calmly and confidently declared its truth; and was proceeding with his story, when, with a dramatic effect rarely witnessed off the stage, the door of an adjoining apartment was opened, and the accused confronted his accuser. There appears to be no other evidence of what passed at this interview than that given by Ambrose Charles, which, being entirely favourable to

himself, cannot be trusted. No proof was tendered of the assertion; but the morning on which the letter had been sent the writer remarked to a fellow clerk, "I have done a deed which will immortalise me." The subject was made a matter of legal inquiry: affidavits from all who had been named as having inculpated his lordship, evinced his complete innocence; and the entire evidence proved the falsehood and folly of the criminator. The charge was eventually dismissed as untenable; and the whole affair can only be regarded as one of those morbid cravings after notoriety which arise equally from a diseased brain and an idle vanity.

In 1807 and 1808, a general and feverish love of speculation was abroad. Joint-stock companies were the feature of the day—canals, bridges, and life assurance, being the great favourites, which, if injurious to the speculator, were beneficial to the country. To this period London owes Waterloo and Vauxhall bridges, with many more of those public works forming to the foreigner objects of so much interest.

It has lately been the custom to speak with contempt of joint-stock associations, although it is to such bodies that England is indebted for her greatest

and her grandest undertakings. The Bank of England, which has been called the bank of the world—the railways, which bear comfort and civilisation to the remotest hamlets—the canals, which convey our commerce and irrigate our lands—our docks, which contain the wealth of the East and of the West—our life assurance companies, which comfort many a desolate hearth and home—are the result of joint-stock companies. The evil is passing; but the good is permanent.

A similar outcry is always raised against projectors and speculators. Swift employed his pen in ridiculing them; Scott introduced one to turn him into contempt; Addison employed his fine genius in satirising them; Steele wrote one of his best essays on them. The smaller herd of wits have swelled the cry; and they to whom mankind are pre-eminently indebted are named with contempt, and treated with derision. The projectors of all great works have been disdainfully regarded at one period or another. The men who first planned our bridges have been neglected: the promoters of railways which are now paying well, and rejoicing our rural homesteads with the polish and the luxury of cities, were a bye-word to the mass. And

yet the finest minds of the day are employed in projecting. The discoverer of steam-power was a projector; Arkwright was only a projector; Thomas Gray was the same. What does not England owe to men who bore the burthen and the heat of the day in the introduction of projects which, once household luxuries, they have made household necessities! The cottage of the poor is comforted, the mansion of the rich is gladdened, with works for which projectors were ridiculed and speculators ruined. We cannot cast our eyes around, without these works meeting our view. They add a grace to our persons, they cheapen our luxuries, they adorn our homes.

The mere man of routine thinks it a sacred duty to laugh at those of whose services he is glad to avail himself; while the banker, the merchant, and the monied tradesman, first treat him as an intruder, and then buy shares in the discovery they disdainfully rejected. The world is rich in the names of those who have benefited and been neglected by their fellow men.

One of the greatest capitalists of the reign of George III. died in 1808. Mark Sprot, a name which will recal many a pleasant anecdote to members of the

Stock Exchange, born a younger brother, with a younger brother's portion, achieved, by his own exertions, one of those fortunes which arose out of the loans of the French war. In 1780 he settled in London, with moderate means; and from occasional visits to the Bank and Stock Exchange, formed an intimacy with the members of the monied interest. He soon saw that with small risk he might make great gain, and commenced a career which ended in splendid success. In 1799, he was one of the contractors for the lottery; and, in 1800 and the three following years, he was at the head of those who bid for the loans.

During the trial of Lord Melville, Mr. Sprot was examined in consequence of having borrowed money from Mr. Trotter. The latter, on a comparatively trifling income, had built a splendid mansion; and as attention had been drawn to the circumstance, Mr. Sprot's name was involved. When examined by the committee, and asked whether he did not act as banker to members of both houses—"I never do business with privileged persons," was the shrewd but daring reply. This answer originated, probably, from the following anecdote:—

On one occasion a broker applied to Mark Sprot, and with great sorrow told him that he was a ruined man. Mr. Sprot was surprised, for he knew the speaker was careful, industrious, and not likely to speculate. He asked the cause, and the broker replied that he had been employed largely by a principal, who, the prices having gone against him, had refused to pay his losses. Mr. Sprot immediately inquired his name; and on being told it was a noble earl, of whose resources he was well aware, could scarcely believe he heard correctly.

He knew him to be in possession of large landed estates; and, when informed that his lordship had refused to give any reason except that it was not convenient, Mr. Sprot told his visitor not to be alarmed, that he would not press his claim, and concluded by making an engagement with him to visit his lordship.

Together they went, and were received with patrician dignity. Mr. Sprot deliberately detailed his business, and received the cool reply that it was not convenient to pay. But the energetic jobber was not a man to bow before rank, unless accompanied by worth; and Mr. Sprot unhesitatingly declared that

if the account were not settled by a certain hour next day, he would post his lordship as a defaulter. The latter grew alarmed, and attempted to conciliate; but the conference closed with the repeated determination of Mr. Sprot to post him. Long before the hour appointed, however, his lordship's solicitor waited on the broker to arrange the payment; and thus the honour of the earl was preserved, and the credit of the broker saved in the money market, through the acuteness and determination of Mark Sprot.

In 1810 an application was made to parliament for permission to erect and secure to the public the right of admission to an open market for the sale and purchase of national securities, on the ground that the public ought not to be excluded from the room in which business in the public funds is contracted. The bill was introduced by Sir William Curtis, and rejected by the senate.

The history of the house of Baring,—which, though generally regarded as mercantile, is largely connected with the loans—has been termed an evidence of the power of a few active young men to advance themselves to immense fortune, and to distinguished marks of favour from the sovereign. Various origins are

attributed to the members of the firm, and the Herald's College has been employed to give the dignity of ancestral honours to the family. In 1793, the first baronet of the name was created, and the signal services of Sir Francis to the East India Company, of which he was a director, were greatly appreciated.

It has been stated, but as the writer is uncertain of his authority, he gives it with caution, that they were originally German weavers who came over to London; and being successful in business, were, through the interest of William Bingham of Philadelphia, appointed agents to the American government. Considering, therefore, the large resources at their command, it is not surprising that, during the loyalty loan in 1797, the head of the house made one hundred thousand pounds for three consecutive days, —or that in 1806 it was sarcastically said, "Sir Francis Baring is extending his purchases so largely in Hampshire, that he soon expects to be able to enclose the country with his own park paling."

In 1805, this gentleman, the first algebraist of the day, retired from business with a princely fortune, and shortly afterwards died, full of years and honours.

A green old age, a career closed at the pinnacle of prosperity, and a death-bed surrounded by sons and daughters, whom the descendant of the German weaver had lived to place in splendid independence, was his enviable lot. The great commercial house which he had raised to so proud a position was continued by his sons, and may be considered the most important mercantile establishment in the empire. Freehold estates to the amount of half a million, besides enormous personal property, rewarded his great capacity, and his yet greater integrity.

The house of Baring, notwithstanding some periods when doubt and almost dismay hung over it, yet retains the power and position bequeathed by Sir Francis; and, as an instance of the fortune and capacity of its members, it may be mentioned that the late Lord Ashburton, when bearing, as Sir Robert Peel feelingly expressed it, the honoured name of Alexander Baring, realized £170,000 in two years by his combinations in French *Rentes*.

From 1810 to 1815 the business in every department of the Stock Exchange increased greatly. Loan after loan came rapidly forward, was as rapidly taken, went to a premium, was merged in the funded debt, and

was succeeded by fresh demands for fresh loans. The public feeling was so strong, even during those fearful campaigns which preceded the fatal field of Austerlitz, when the futile threat of invasion was frequent, and "the army of England" assembled at Boulogne, that no ministry could have maintained its power unless it had been a war ministry. And when the event of that battle, known as the "battle of the three emperors," was made public, when the entire powers of the continent were at the feet of Napoleon, and William Pitt, the soul of the coalition, died from fear of the calamities that threatened, the people of England were unchanged in their resolute defiance. Enmity towards the French was an article of faith. Hatred to their leader was taken from the mother's breast, and nourished by the stories which day by day engrossed the public mind, or violated public feeling. At one time, the commercial world was excited with the story that all the specie in all the private banks of France had been seized. At another, some cruelty which outraged humanity passed current with the vulgar. Stories of the conscription harrowed the feelings of parents; tales of insurrection, suppressed with heartless cruelty, raised the indignation of the

child. The evening fireside derived its great attraction from the talk about Buonaparte; and it is no exaggeration to say that nurses stilled their querulous charges, or that mothers hushed their children, with that dreaded name. Policies were opened on his life; and, so uncertain was it considered in 1804, that fifty-five guineas per cent. were paid to insure it for one year. No fiction was more favourite or more frequent than that which detailed his death; and in this the powerful invention of the romancer was often proved. Poison and steel, the dagger of the conspirator and the bullet of the republican, were constantly asserted to have ended his career. On one occasion, it was universally credited that the great Corsican was no more. A despatch had been received by Lord Grenville, announcing his death, and circumstantially detailing its manner. No doubt was entertained; the funds rose, and the news spread. Some very loyal persons set the bells ringing in a suburban village, and the whole affair bore the aspect of truth. The story circulated wore an appearance of romance entirely in keeping with the career of the man whose death was announced. It was stated that Napoleon, having called a council of war, to which he had invited one of

the wild chiefs of the Desert, who professed attachment till he could procure revenge, had been shot by him in open council; and, on the signal thus given, the wild hordes of the Desert had slain Buonaparte and his devoted followers in the land so recklessly invaded. News was not then so frequent, information was not so widely diffused; and the document was credited much longer than it would have been a quarter of a century later. It deserves to be mentioned as a curiosity that the forgery was not attributed to members of the Stock Exchange, but to a pair of "state speculators," assisted by "members of the lower house." But though it was not caused by them, they felt its effect in the fluctuating price, and several were ruined by the ingenious device of these "state speculators" and "members of the lower house."

Among the names conspicuous in the city for character and capacity, stands that of the great political economist, David Ricardo, who, at the early age of fourteen, was introduced by his father, a Hebrew of the Hebrews, to the mysteries of the Stock Exchange. The mind of the younger Ricardo was of an inquiring character. He began to study the principles of the creed in which he had been educated. The result was his

secession from the faith of the ancient people, and his abandonment to his own resources by his father. Those resources were small; but his conduct and character had interested the members of Capel Court, and, to their honour, with a liberality which not unfrequently distinguishes them, the oldest and most influential came to his assistance. The extraordinary powers of Mr. Ricardo were soon developed in the acquisition of a considerable fortune; and, having hitherto employed but little time in study, he amply and nobly redeemed his lost hours. At twenty-five he commenced mathematics, and with great application studied chemistry and mineralogy, fitted up a laboratory, formed a collection of minerals, and bestirred himself with all the energy of his character. These sciences, however, he soon abandoned; and, having accidentally become acquainted with Adam Smith's "Wealth of Nations," he employed his great thought upon the subject of political economy, in which he soon became distinguished. He led the van in the bullion controversy—his principles were those on which the present Bank charter is founded; and, in 1817, he published that great work on his favourite science so familiar to the commercial reader.

His reputation preceded him to the senate; and his opinions on the above subjects were deferred to with respect. When Mr. Peel's bill was introduced, in 1819, his name was called for from all sides of the House; and, in 1823, David Ricardo, an acute, patient, and comprehensive thinker, a firm and faithful friend, and an honour to the body of which he was a member, died, at the early age of fifty-two.

Few trials, which were not for life, have excited so much interest in the city as that in which Benjamin Walsh—a member of the senate, a member of the Stock Exchange, and a confessed felon—stood at the bar of the Old Bailey, on the charge of defrauding Sir Thomas Plomer. The bench was crowded with the rank and respectability of the city. The melancholy appearance of the prisoner, his grave bearing and dejected countenance, excited the interest of the spectators, and spoke the regret of the culprit.

In 1811, Sir Thomas informed his broker, Mr. Benjamin Walsh, M.P., that, having bought an estate, it would be necessary to sell out a large amount of stock to complete the purchase. Mr. Walsh advised Sir Thomas not to sell directly, as there was every prospect of the funds rising; and, the title of the

estate not being complete, this advice was complied with. About the middle of November, however, Mr. Walsh changed his opinion, and repeatedly urged Sir Thomas to sell his stock, alleging his belief that the price would fall. Again the broker's suggestion was complied with; but, as it was sold before the money was required for the estate, it was recommended by the prisoner that, to prevent it from lying idle, exchequer bills should be purchased with the proceeds. Sir Thomas again consented, and gave a cheque amounting to £22,000 to Mr. Walsh, who promised to lodge the notes at Goslings', the bankers to Sir Thomas, and hand the latter their receipt. In the evening, however, he presented their acknowledgment for only £6,000, and making some excuse for not having paid in the remaining exchequer bills, promised to deliver them on the following day; adding that, as he had not settled for them, he had repaid the difference to the account of Sir Thomas. The latter on his way home called at his bankers', and found that, though the £6,000 in exchequer bills had been deposited, the cheque of Mr. Walsh for the £16,000 had been received too late for presentation. No suspicion was, however, attached to the transaction until next day,

when the cheque was refused payment. Sir Thomas was immediately informed, and an inquiry instituted. It was soon found that the money thus iniquitously gained had been disposed of in paying his brother £1,000, in purchasing £11,000 American stock, and in investing £500 in Portuguese doubloons. The prisoner was found guilty; but certain points, reserved for the judges, being interpreted favourably, he was discharged from Newgate, and expelled from the House of Commons.

In 1813, Mr. Vansittart introduced a modification of Mr. Pitt's sinking fund; and, among other objects, proposed to rescind the alterations in 1786 and 1792, and to restore them to the position in which they would have stood if no such alteration had taken place. By this Mr. Vansittart designed to provide that relief which the public would have obtained from the original plan, *to restrain the excessive increase of the sinking fund,* and to secure the redemption of each loan within a period of forty-five years from its commencement. For these purposes, it was proposed—

1st. That, as a sum equal to the debt of 1786, bearing an interest nearly equal to the interest of that debt, is now vested in the hands of the commissioners,

so soon as the interest of the redeemed debt shall be equal to that of the debt of 1786, that debt shall be declared discharged; and the sums hitherto appropriated for the interest and sinking fund shall be appropriated to bear the charge of future wars; and that no new taxes shall be imposed for new loans till the same amount to a sum equal to the interest of that released.

2nd. That, as loans to the extent of £86,796,375 were charged on the consolidated fund in 1802, without any sinking fund attached to them, it is proposed, in order to place the public creditors in a position equal to that they held in 1792, that the 1 per cent. sinking fund on the above sums be replaced to it.

3rd. That, as the amount of exchequer bills has much increased, a sinking fund of 1 per cent. shall be annually provided for any addition to the exchequer bills in circulation, for the discharge of which no funds are provided.

4th. That, instead of allotting the sinking fund of 1 per cent. to discharge each separate loan, the whole funds shall be united, and applied to discharge the first contracted loan; and that each successive loan

shall be redeemed, and its charge released, in the order of its contraction, by the united produce of the sinking funds appropriated for the redemption of the loans contracted since 1792; but the whole sinking fund created by the act of 1786 to be continued, and applied until the total redemption of the debt.

During the latter part of Bonaparte's career, the price of the funds varied enormously. In the course of an hour, a difference of 8 and 10 per cent. was not unknown. The loans were as eagerly sought as they were frequently made; nor is this surprising when it is remembered that 18 and 20 per cent. occasionally rewarded the scrip-holder.

The pulse of the people was feverish, and easily excited; and the papers of the day display the intense anxiety which hung over the public mind during the eventful years of 1814 and 1815. The prices of the funds dropped and rose like a barometer. It is scarcely an exaggeration to say, that they were regarded as an oracle; and, while the public professed to disbelieve all Stock Exchange rumours, simply because they were so, they continued to inquire the variations in the price, and almost regarded them as a cause rather than a consequence. The annals of the

world contain no more exciting period. For years, the English had seen battle after battle won by the great conqueror. They had seen disciplined armies vanquished by raw levies; veteran troops cut to pieces by young conscripts; and the prestige of his name had haunted them for the fourth part of a century. To destroy his power, they had submitted to painful privations; they had borne with taxation which almost amounted to tyranny; they had levied loans which enriched the few and impoverished the many.

The national debt had increased to 800 millions; and now the reward had come, and the people read with undisguised and unlimited pleasure, of field after field yielding to British prowess; of towns stormed; of achievements which made them proud of the name they bore; until that prophecy which had been derided for years, became a lasting faet; British troops paraded in triumph through the streets of Paris; and men felt that their sufferings and their sorrows had not been vain, but that the treasure they had lavished had reaped its reward.

So important to our financial department was the close of this war, that the decrease of the expenditure was at once declared to be 2 millions per month; and

accustomed as the money power of England had been to loan succeeding loan, the Stock Exchange could scarcely understand the declaration of the chancellor, that he neither intended to ask for money, nor to touch the sinking fund. The immediate effect of the battle of Waterloo on the funds was only 3 per cent., nor was it until the capture of Napoleon became positively known, that they rose to their previous price.

It is not unworthy of remark that, from 1688 to 1814, sixty-three years witnessed bloody and expensive wars, while only 61 years were employed in recovering from the effects of so demoralizing a system.

The well known attempt to defraud the Stock Exchange occurred in 1815; but the features of the hoax were so like that of 1806, and its effects so similar on the members, that a brief notice is deemed sufficient. Prior to February, 1814, various brokers were employed by persons, some of whom were not accustomed to speculate in Capel Court, to purchase government securities to the amount of £826,000. Among other and less important individuals, were Lord Cochrane and Mr. Cochrane Johnstone, M. P., who, when information arrived that some French

officers had landed at Dover, with the news of Bonaparte's death, took advantage of the consequent rise, to sell the Stock they had previously purchased. In a short time, however, it was discovered that the "French officers" were fictitious, and that the news was false. Every endeavour was made to discover the inventors of the plot; suspicion was pointed at persons who had bought so largely, and sold so well; and Lord Cochrane, Mr. Johnstone, M.P., with several more, were tried for conspiracy, and found guilty. The committee of the Stock Exchange, did not, as in the previous case, cancel the bargains made, but left the parties to the remedy which the law provided. Mr. Johnstone fled from the country, and Lord Cochrane was dismissed from the navy. But public opinion has reversed the decree, and reinstated his lordship in that service of which he was the pride and the ornament.

In consequence of the above fraud, it became necessary to serve certain law processes on many of the members; and an attorney's clerk, ignorant of the custom of the Stock Exchange, or confident in the sanctity of his mission, ventured boldly in. The solemn character of the law was no defence, and

scarcely was his errand known, when he felt as willing to retire as he had been anxious to enter. The disgraceful mode in which a stranger is usually treated by the jobbers and brokers was carried out in its fullest extent, and it was not until he had received his initiation into the manners of the members that he was allowed to leave the mart dedicated to Mammon.

In 1815 the first French loan was negociated in London. The fall of Napoleon, the return of Louis le Gros, the personal expenses of the monarch, and the pecuniary concessions of the government, demanded a supply to which French capitalists were unequal; and a successful attempt was made to borrow in the English market.

In the following year an act was passed, authorising the transfer of stock upon which no dividend had been claimed for ten years, to the commissioners for the reduction of the national debt.

It has been the writer's duty in another work to advocate the cause of the holders of unclaimed dividends. The unfairness with which they are treated is neither to be palliated nor justified. The eagerness and anxiety of government to obtain money

is too often gratified at the expense of morality; and it is thus with the unclaimed dividends. Every difficulty is thrown in the way of the public; and, though the above act disdinctly ordains that *immediately after the transfer, the names, residences, descriptions, and amount shall be kept open for inspection at the Bank,* it is useless for the public to apply, as they are politely but peremptorily refused all information. It is only fair to conclude that this is at the instance of government, as the Bank receive no benefit from their violation of the act of parliament.

It is not often that the repudiation of a dividend causes a rise in the price of the stock: such, however, was the case in a loan of five millions to Austria, the interest of which was to be remitted by the Emperor. Shortly before it became due, intelligence arrived that Austria was unable to meet the claim. The stock at once rose 2 per cent., as it was known that the faith of England was pledged to the fundholder, and that henceforth the interest must be provided by the English government.

A laudable endeavour was made in 1821 to abolish the system of gambling known as options; and, after a serious consideration, the committee of the Stock

Exchange resolved that any member guilty of the practice should be expelled the house. It was soon found that rules are more easily made than followed; and a powerful opposition was organised, in which the Hebrew party took the lead. Large sums were subscribed towards the erection of a new building; and the schism grew so serious, and numbered such important parties in its ranks, that the committee deemed it wise to make an amicable arrangement, and abandon the resolution they had so hastily made.

Up to 1822, the Royal Exchange was the theatre in which business in the foreign funds was transacted. When, however, this business became a feature of sufficient importance, a foreign Stock Exchange was formed in connexion with Capel Court.

A very important question became mooted concerning these loans. On several occasions, when bargains for time were made, and the loser refused to pay his differences, the broker made them good, believing his principal was not liable under the act of Sir John Barnard. At last the question was legally argued; and it was ascertained from the decision of several judges, that the provisions of the above act did not extend to loans for foreign countries.

Francis Baily—a name as well known in the scientific as in the monetary world—retired from the Stock Exchange in 1825, and the man who, in the midst of the most exciting pursuit in the world, was worthily chosen president of the Royal Astronomical Society, sheds an honour on the class to which he belonged, and should have been an exemplar to the men with whom he associated.

As a boy, studious beyond his years, he was called, —half jestingly, half seriously,— the philosopher of Newbury; and having left school at fourteen, remained in a mercantile situation until he was twenty-two; when, for the mere love of adventure, he embarked for the New World, travelled through a great part of the far West, and passed eleven months among the aborigines, without once meeting the shelter of a civilized roof.

In 1800, he went on the money market, where he soon became conspicuous, publishing within a few years many works, which were justly regarded with great favour; and, in 1806, defended, though unsuccessfully, the rights of the brokers. In 1814, he drew up the report of the committee on the great fraud of that year, arranged the evidence against

the perpetrators completely and conclusively, and was one of those men of whom the Stock Exchange—from which he retired with a fortune won by uprightness and intelligence—was not worthy.

The triumphs of Mr. Baily in his favourite pursuit are recorded in the minds of all who prize the science which he so dearly loved. A list of his labours would be misplaced in the present volume; but Sir John Herschell has recorded them in his memoir of the scientific member of that place which is too much open to the reproach, that it narrows men's minds as much as it enlarges their purses.

CHAPTER XII.

REVIEW OF THE NATIONAL DEBT — OPINIONS — BOLINGBROKE — FINANCIAL REFORM ASSOCIATION — EXTRAVAGANCE OF GOVERNMENT — SCHEME FOR PAYING OFF THE NATIONAL DEBT—REVIEW OF THEM—PROPOSALS FOR DEBENTURES.

THE period at which the present narrative has arrived does not appear ill adapted for a prospective and retrospective glance at a debt which, in 121 years, has increased from £660,000 to 800 millions, which is the great problem of the day, and the great difficulty of legislators. It has been seen, that the debt was not increased without strenuous opposition; and it need not be said that there were alarmists a century ago, as there are alarmists now; that, as each successive million was added, men were not wanting to declare the ruin of the country; or that prophets were plentiful with omens of evil. Bolingbroke wrote,—"It is impossible to look back without

grief on the necessary and unavoidable consequences of this establishment, or without indignation on that mystery and iniquity which hath been raised upon it, and carried on by means of it. Who can answer that a scheme which oppresses the farmer, ruins the manufacturer, breaks the merchant, discourages industry, and reduces fraud to a system, which drains continually a portion of our national wealth away to foreigners, and draws most perniciously the rest of that immense property which was diffused among thousands, into the pockets of the few—who can answer that such a scheme will always endure? The whole art of Stock-jobbing, the whole mystery of iniquity mentioned above, rises from this establishment, and is employed about the funds: and the main-springs which turn, or may turn the artificial wheel of credit, and make the paper estates that are fastened to it, rise or fall, lurk behind the veil of the treasury. That luxury which began to spread after the restoration of Charles II. hath increased ever since, from the growth of wealth among the Stock-jobbers, from this system. Nothing can be more certain than this,—that national luxury and national poverty may in time establish national prostitution. The immense wealth of particular men

is a circumstance which always attends national poverty, and is in a great measure the cause of it. We may already apply to our country what Sallust makes Cato say of Rome—"Public want and private wealth abound in all declining states."

A reference to the tracts, pamphlets, and broadsides which were given to the world in the early part of the century, will prove that public attention was constantly drawn to the growing difficulty; but the writers committed the great error of pointing their darts at the stock-jobbers. They persisted in regarding the consequence as the cause; nor was it, Mr. Alison thinks, until after the peace of Ryswick, that the great evil was regarded with anything like alarm. This gentleman, in his military Life of Marlborough, draws the following vivid picture, and the writer can confirm it from a careful perusal of contemporary documents:—

"The finances of Great Britain," he says, "as they were managed in former times, could never have sustained the cost of such a war for a tenth part of the time. But expense now seemed no obstacle to the government. A new engine of surpassing strength had been discovered, for extracting capital out of the

country: and the able statesmen who had it in their hands, felt it to be not less serviceable in consolidating the internal power, than in meeting the external expenses of the new dynasty.

"Whan this system first began, the nation was not sensible of the important consequences to which it would lead. They thought it could only be a temporary expedient; and that, though it might, perhaps, lead to a few millions being added to the national debt, yet that would be all. Though from the first, accordingly, its progress was viewed with a jealous eye by the thinking few, it made but little impression upon the unthinking many, before the peace of Ryswick. But when the war of the succession began in 1702, and continued without intermission, attended by daily and increasing expenditure for 10 years, the apprehensions of a large part of the nation became excessive. At the revolution, the national debt was £661,000; by 1710 it exceeded 50 millions.

"The wars in which William was of necessity engaged; the loans which they rendered unavoidable, and which the commercial wealth of the nation enabled it to advance; and the great increase in the expenditure of the Exchequer, all conspired to place a vast

and unprecedented amount of patronage in the hands of government. This was systematically directed to buy off opposition in parliament, and secure a majority in the constituencies. Corruption, in every possible form, from the highest to the lowest, was employed in all parts of Great Britain, especially among the urban electors, and with such success, that almost every measure of government passed without difficulty, through both houses of parliament. The nation had shaken off the prerogatives of the crown, but they had fallen under the domination of its influence. The gold of the Exchequer was found to be more powerful than the penalties of the star-chamber."

Almost every one professes to consider the debt as a drain upon the resources of the nation; as a nightmare upon the chests of the people; and as a millstone which will sink England below her proper position. Most of our political writers affect this view. All our alarmists make it their theme. Hume wrote,—"Either the nation must destroy public credit, or public credit must destroy the nation." Sir Robert Walpole said,—"When the debt reaches 100 millions, the nation will be bankrupt." In 1735, Lord Hervey, in his memoir of George II., remarked,—"I do not

see how it would be possible for the country, on any exigence, or for the support of the most necessary war, to raise one million a year more than it now raises;" and in 1777, the third earl wrote as a note,—"What would my father have said, had he seen 17 millions raised in a year?" Lord Bolingbroke declared the debt was sinking England into the gulf of inevitable bankruptcy. Cobbett was perfectly rabid in his attacks on those whom he invariably classed as Jews and fundholders, predicted the ruin of England in half a century, and proposed in 1832, a plan which would have ceased the interest on the national debt in 27 years, and have classed England among the repudiators.

Adam Smith thought that the practice of funding had gradually weakened every state which had adopted it. Paine openly predicted the Bank and the government would perish together in a few months. Mr. Tierney said, in 1817, such a state of things could not go on. Sir James Graham proposed, in 1827, a reduction of 30 per cent. Mr. Baines thought it might be ultimately necessary to make a general contribution to extinguish a large portion of the debt; and the late Earl Grey talked in early life of "taking the bull by

the horns;" although he failed to fulfil in his age the promise of his youth.

If prophecies such as these have been plentiful, the following extract, at once a picture and illustration of the period when the nation first commenced to borrow, will prove that other views are entertained by many, and that there is a large class who, however they may deprecate the great evils arising from the debt, consider that it has been beneficial to the interests of England.

"The era of the revolution is chiefly remarkable for the new dynasty having taught the government how to raise taxes in the country, and thus brought England to take the place to which she was entitled in the scale of nations, by bringing the vast national resources to bear upon the national struggles. That which the Stuarts never could effect by appeal to honour, spirit, or patriotism, William and Anne soon accomplished by bringing into play and enlisting on their side different and less creditable motives. They no longer bullied the House of Commons—they bribed it; and, strange to say, it is to the entire success of the gigantic system of borrowing, expending, and corrupting which they introduced, and which their

successors so faithfully followed, that the subsequent greatness of England is mainly to be ascribed. It was the system of managing the House of Commons by loans, good places, and bribes, which provided the sinews of war, and prepared the triumphs of Blenheim and Ramilies. William tripled the revenue, and gave so much of it to the House of Commons that they cordially agreed to the tripling. He spent largely; he corrupted still more largely: he made the national interest in support of taxation more powerful than those operating to resist it. The memoirs recently come out give details of corruption so barefaced and gross that they would exceed belief if their frequency, and the testimony to their authenticity from different quarters, did not defy disbelief."

It is now known that when Walpole's ministerial supporters were invited to his ministerial dinner, each found a £500 note under his napkin.

It is one great evil of the present age, that it persists in regarding the debt as perpetual. Immediately the expenditure is exceeded by the revenue there is a demand for the reduction of taxation. We—a commercial people—brought up at the feet of Mc Culloch —with the books of the national debt as a constant

study, with the interest on the national debt as a constant remembrancer—persist in scoffing at any idea of decreasing the incumbrance: and when a chancellor of the exchequer proposes a loan of eight millions, we growl and grumble, call it charitable, trust for better times, and read the opposition papers with renewed zest.

There is no doubt that the resources of the nation are equal to far more than is now imposed; but it can only be done by an efficient revision of our taxation; and this will never be effected till the wolf is at the door. A war which greatly increased our yearly imposts would, with the present system, crush the artisan, paralyse the middle class, and scarcely leave the landed proprietor unscathed. The convertibility of the note of the Bank of England would cease; and it would be impossible to preserve the charter of Sir Robert Peel in its entirety, while twenty-eight millions were claimable yearly in specie, and the gold of the country went abroad in subsidies.

In an earlier portion of the volume the writer briefly advocated annuities as one mode of treating the national debt. There would in this be no breach of faith to the present public; there would be no dread of a

general bankruptcy; there would be no need of loans; and, had this principle been carried out, the national debt would be yearly diminishing. In ten years, nearly two millions of terminable annuities will expire; and it behoves the government to inquire into the effect which the conversion of the interminable debt into terminable annuities would have on the money market.

It is absolutely idle for the Financial Reform Association to think of effectually lowering the taxation of the country while twenty-eight millions are paid for interest; and it is to be feared that great evil will accompany whatever good they may achieve. That there are many offices which might be abolished; that it is a rule in England that the least worked should be best paid; that an extravagant system of barbaric grandeur exists; that the army and the navy, the pulpit and the bar, are conducted unwisely; and that great men are paid great salaries for doing nothing,—is indisputable; but it is equally so that great savings have been effected, and that great efforts are making to economize further. There is a faith pledged to the public servant as much as to the public creditor; and, whether he be a colonel or a clerk, a man of peace

or a man of war, it is impracticable, imprudent, and unjust to attempt that which would as much break faith with him, as to cease to pay the dividends on the national debt would be to break faith with the national creditor.

These things are paltry and puerile compared with that which, excepting a total revision of taxation, can alone materially meet the difficulties of England; and the gentlemen of the Reform Association are aware of this. They may cut down salaries; lower the defences of the country; abolish expensive forms and ceremonies; amalgamate a few boards of direction; reduce the civil list; and do away with all sinecures. But the evil is too vast, and the difficulties are too gigantic, to be met in so simple a manner. Nor will these gentlemen be satisfied with it while there are 800 millions at which to level their Quixotic spear. Repudiation was darkly alluded to at one meeting of the Association; and, though it has since been denied, it is to be feared that time only is required to ripen the attempt.

Mr. Henley, a few months ago, brought forward a motion to deduct 10 per cent. from all official salaries, and the motion was deservedly negatived. But such motions, when meant to meet a great difficulty, are

too contemptible to notice; and would only pauperise the feelings of those who are already almost pauperised in purse. Let Mr. Henley think of the salaries paid at the Custom House, the Post Office, and Somerset House, before he again introduces a proposal on a principle so broad that it is unworthy a statesman, and insulting to an educated, an intelligent, and a trustworthy class.

To reduce or pay off the national debt may be gigantic, but it is not impossible; and the writer closes the present chapter with a review of some of the proposals which have been laid before the public.

In 1715, a pamphlet was published, entitled "A Method that will enable the Government to pay off that part of the Public Debt which is redeemable by Parliament," by which 21 millions were to be paid in seventeen years, by bills of credit without interest. Soon after the accession of the present royal family, Mr. Archibald Hutcheson presented a plan which excited much attention at the time, and is well entitled to recapitulation; and his principal propositions were—

1.—That the sums severally assessed on the lands of Great Britain for the land-tax of 1713 be made payable as a rent charge in fee for ever, out of the

several respective lands, redeemable at any time by the proprietors paying twenty-two years' purchase.

2.—That the said rents, or the money raised by redemption or assignments of the same, be applied to the discharge of the public debt.

3.—That one-tenth part of all annuities for life, and all other rents issuing out of the aforesaid lands, and of all sums of money secured by mortgage, and of all other debts which affect lands, be entirely remitted to their respective proprietors.

4.—That the proprietors of such land be empowered to sell so much of them as shall be sufficient to redeem the aforesaid respective rent charges.

5.—That one tenth part of all the debts secured by public funds be remitted.

6—That one tenth part of all the other nett personal estates of all the inhabitants of Great Britain, which affect land and public funds, be applied to the payment of the public debt.

7.—That 2s. in the pound be made payable yearly, out of the salaries and perquisites of all offices and places.

8.—That the legal interest be reduced to 4. per cent. per annum.

9.—That for the effectual securing of the payment of such public debts, for which there either is at present no provision, or the provision made by parliament appears deficient, all funds granted for any term of years be made perpetual, until the principal and interest of all the said public debts be fully paid off; and that the interest of such public debts as at present have defective or no securities be paid out of the yearly produce of the said funds; and that the remainder only of such produce, over and above the interest of the said public debts, be applied towards the sinking of the principal money.

10.—That provisions may be made by an excise on apparel, or some other excise, sufficient to produce one million per annum in lieu of the land tax, till all the public debts are discharged.

In 1715, Mr. Asgill published his plan for the more speedy redemption of all the perpetual funds; two millions were to be raised in specie, and deposited in a bank, to support the circulation of 20 millions Exchequer bills at 3 per cent., with which all the redeemable debts were to be paid off. As an annual interest of £1,182,454 10*s*. 5*d*. was then paid for these redeemable debts, and as the interest of the two millions to

be borrowed at 6 per cent., and of 20 millions of exchequer bills at 3 per cent., amounted only to £720,000, the public would thus have acquired a sinking fund of £462,454 10s. 5d.

In 1719, Stephen Barbier proposed to pay the public debt. The plan of this gentleman was to convert 40 millions of the debt into notes, bearing 1 per cent. less interest than the original fund, which was thus to be converted; the conversion was only to take place at the request of the creditor, who might thus at any time obtain both principal and interest. These notes were to be current in all pecuniary transactions, and were to be paid in specie, six months after they were presented for payment.

Such were the chief propositions at the commencement of the eighteenth century. It would be impracticable to follow the numerous schemes which have since been propounded, but a few of the latter plans may not be uninteresting. In 1819, a proposition was made, which boldly grappled with the immediate difficulty. Estimating the entire private property of the kingdom, on the lowest calculation, at two thousand five hundred millions, it suggested that all such property, including all claims on the government,

in respect of money lent and advanced, should be declared liable to a contribution of 15 per cent.

In 1821, a "practical scheme" appeared, the leading points of which were,—

That all the annuities must be consolidated, viz.,

The 3 per cents. at . . .	65
3½	73½
4½	81
5	100

That an assessment of 20 per cent be laid on all property and funds so consolidated.

That an assessment of 5 per cent. be laid on private property, not in the British funds.

That fixed property, except buildings, be valued at 20 years' purchase.

That this assessment be converted into a redeemable income tax, at the option of the proprietor, at 5 per cent. per annum.

That a similar assessment for the term of 10 years, be levied on nett profits of trade and agriculture.

In 1827, it was proposed to pay one half the debt, by an assessment of 12 per cent. upon the entire capital of the country; and, in 1832, another "practical plan" was suggested; "to impose a loan

of 20 per cent. upon all the nett real property, excepting those whose possessions are less than £100; the amount to be paid either at once, or by instalments, within five years.

To impose a tax of 5 per cent. for one year upon all incomes of not less than £100 a year, arising from profits of artists and other professional men.

To abolish all internal taxes excepting the land tax.

Other propositions have appeared, but they have been entirely disregarded. The evil day has been deferred, and will continue to be so; but it affects all good citizens to bear in mind that it must eventually arrive: and some future historian will record that the ruin of England arose from the greatness of her national debt, because her citizens were deficient in that abnegation of self which alone could grapple with a great difficulty, save a great country, and alleviate the sufferings of a patient and enduring people.

In 1817, the ministry debated the advisability of altering the mode of registering the accounts of the national debt. Many complaints had been made by bankers and merchants of the long period employed by the Bank of England in preparing for the payment of the dividends; and they contended that six weeks

were unnecessary, or, if necessary, that some new method should be tried by which the annoyance might be remedied.

The suggestion was taken into consideration, and the system of debentures very generally debated. After much mature thought, it was decided that, though the plan answered very well with foreign securities, the English debt was too gigantic, and the plan would involve too great a risk to be entertained. After much discussion in the journals, and a few questions in the house, the idea was abandoned; nor was it until thirty years from the above time, that the objection of the bankers was met; and, by the arrangements of Mr. William Ray Smee, now in operation at the Bank of England, the stocks closed only three instead of six weeks.

CHAPTER XIII.

PROGRESS OF INVENTION—PUBLIC ROADS—STEAM—DUKE OF BRIDGEWATER—CANALS—RAILROADS—THOMAS GRAY, THEIR PIONEER—HIS DIFFICULTIES—PROPOSALS FOR THE LIVERPOOL AND MANCHESTER RAILWAY—MONOPOLY OF THE CANALS—PARLIAMENTARY INQUIRY—EXTRAORDINARY OPINIONS OF WITNESSES—THE CLAIMS OF THOMAS GRAY—VALUE OF CANAL PROPERTY.

It is not unworthy of remark, that many of the greatest efforts of intellect are within the scope of the writer; as most of those works which have from time to time benefitted the world, both socially and physically, have been assisted by the money power of England. Nor will the inquirer be backward in comparing the singular difficulties with which all inventions requiring great capital contended in the last century, with the remarkable facility which marks their progress in the present, if they fairly promise, as most grand inventions do, to interest the entire community, and pay 10 per cent.

The annals of invention have ever been those of opposition; and the history of locomotion has been

singularly illustrative of this. The journey from city to city, and from county to county, was once painfully slow. It is a subject of ridicule in the present day. A great feature with novelists, a few years ago, was to represent the incidents of a long inland journey: the memory of the reader will at once recur to "Tom Jones," to "Humphrey Clinker," and to the humorous scene drawn by the modern master of fiction in his opening chapter of the "Antiquary," as some illustration of the liabilities of the traveller.

It is easier to ridicule than to reason, and safer to prophecy defeat than to predict success. The minds of the mass generally depreciate that which is beyond them: some fancy that they elevate themselves by lowering others; while the many, who bigotedly view all change as evil, doggedly refuse to acknowledge the good till they reap the fruit; and it is probable that the loudest grumbler in the railway carriage of the present day was the loudest declaimer against locomotives a quarter of a century ago.

When the turnpikes were extended from the metropolis to the country, many of the counties petitioned parliament against so heinous an attempt upon vested rights. The rustic gentleman grew eloquent upon the

subject of rendering London accessible, and drew pictures of desolation, in which the grass was to grow in the streets, in which rents were to be reduced, cultivation was to be lowered, and the producer ruined. The toll-bars of the newly-made roads in the eighteenth century were torn to the ground, and the blood of a prejudiced people was shed in their defence. The first "flying coaches," though six days were employed to do that which is now done in six hours, were met with invectives. It was said that they would be fatal to the breed of horses and the art of horsemanship; that saddlers and spurriers would be ruined; that the inns would be abandoned; and, above all, the Thames, as the great nursery of our seamen, would be destroyed. The post, that grand social benefit, was denounced, in Charles II.'s reign, as a Popish contrivance; and the first attempt to light the streets —an attempt which only made darkness visible—was vehemently attacked.

When the Margate steam-boat, with its six hours' journey, superseded the Margate hoy, which occupied almost as many days, the coach proprietors, under the idea that Margate was their peculiar property, and its visitors their particular prey, petitioned parliament

to support the coaches, at the expense of the steamers. A century and a half since, it was thought a great effort to run a coach between Edinburgh and Glasgow in three days—it is now done in one hour: and, only a century since, it occupied thirty-six hours in doing that which is now accomplished in four. Although this tediousness of transit was partially owing to what were by courtesy called roads, it must be remembered that then, as now, there were the prejudices of the people with which to contend; and, perfectly content with the existing state of things, the country gentlemen were most strenuous in their objections to the introduction of stage coaches, on the plea that their wives would lose their domestic habits through travelling too frequently, and cease to be worthy housewives for the squirearchy of England.*

The floor of the House of Commons was covered with memorials from innkeepers and petitions from post-boys. They merely indicated the selfishness of the memorialists, tired the patience of the senators, and wasted the time of the nation. But petitions in

* The road to Paddington, now known as the New Road, was hotly contested by the Duke of Bedford, on account of the dust it would create and the view it would abridge. Walpole wrote, that the Duke was never in town to feel the dust, and was too short-sighted to see the prospect.

favour of "no progress" were not the only mode of opposition. When the Lea was made navigable the farmers became furious, broke down the banks, and injured the river. Still, with the progress of the nation, the roads continued to improve. Transit became easier, more rapid, and cheaper; and just as the world was congratulating itself on the perfection of its highways, a new plan was proposed.

It soon became public that a strange, eccentric nobleman, known as the Duke of Bridgewater, had a queer crotchet in his head to create a water carriage, by cutting canals. It began, also, to be rumoured that this same eccentric duke seriously determined to finish what he had commenced, had reduced his personal expenses to £400 per annum, and given up the remainder of his rental to carry out his project. The many had no hesitation in declaring him insane; but his grace scarcely thought of their opinions as he proceeded with his task; and the remarkable firmness of the Duke of Bridgewater, aided by the great mind of John Brindley, his architect, produced an effect which has already survived the pecuniary results at which he aimed. It is impossible in the present volume to do justice to the resolute character of the

duke, or to the obstacles overcome by the skill of Mr. Brindley. Stupendous mounds of earth were removed, which seemed to demand Titanic power; supplies of water were procured sufficient to exhaust mountain springs and mountain rivulets; aqueducts were built far above the surface of the river, rivalling those which conveyed water to the eternal city from the mountain recesses.

At last the prejudices of the ignorant multitude were uprooted, and the scientific few delighted. They who had gone to scoff, remained to praise; and an engineer, who had sneeringly said they had heard of castles in the air, but now they were to see them realized, began to wonder as much at his own opposition, as at the simple grandeur of the work he had derided. The chief business of the duke's agent was to ride about the country, borrowing money, on the promissory notes of his grace, whose bond for £500 was refused in the city, where great purposes are little regarded, unless they promise a great per centage.

In five years the attempt was crowned with success, and the effect upon commerce became manifest. Liverpool received the manufactures of Manchester at

a cheaper rate, and Manchester was supplied with goods from places hitherto comparatively inaccessible. The neighbouring woods and vales were visited by the pale denizen of the factory on the day of rest; and passengers were enabled to travel along that canal which they owed to the patient endurance and undeviating firmness of Francis, Duke of Bridgewater, and to the singular ability of his unrivalled architect, to both of whom personal comfort and public praise were nothing in comparison with the achievement of a great idea.

But a new power was in progress, which was to realize all the visions of a day dreamer, and almost to annihilate both time and space. The progress and development of railways is one of the most interesting features in locomotion. About 1646, a Mr. Beaumont was ruined in attempting to convey coals in carriages of a novel construction. The necessity of some improvement in the conveyance of this article was, therefore, thus early recognised. Thirty years afterwards, a saving of 30 per cent. was effected by some tram roads near Newcastle; and as information spread, and the great dogma, that time is money, began to be appreciated, further improvements were made. The

wooden roller of the wagon was changed for an iron wheel with cast iron rails. Plenty of claimants were found for this imperfect alteration, although soon after it was necessary to adopt a rail fixed a few inches above the ground. The next improvement was that which detached the horse, and made him follow the wagon; and when the road was constructed with two inclines, so that a descending train of loaded coal might draw up an empty one, it was thought that all which human ingenuity could effect had been achieved; and at this point it is probable the rail would have remained, but for the great discovery of steam power and its application to practical purposes. About 1760, coeval with the introduction of iron rails, Watt entertained the idea of employing steam as a moving power; but the design was abandoned; nor was it till 1802 that the attention of engineers was devoted to locomotive engines on railroads; when a patent was taken out, and the principle tested with success at Merthyr Tydvil.*

* The attempt of Mr. Ogle to run locomotives on the public roads must have cost him many thousands; and nothing but the same popular prejudice which attempted to prove that engines on railroads would send horses mad with fright, prevented this great attempt from becoming general. The reader must remember the grave shaking of heads which met Mr. Ogle's cherished design, as similar heads have always been shaking at novel propositions.

The name of Thomas Gray in connexion with railroads ranks at present among the many whose ideas were derided by the very men who afterwards adopted them. From an early period he formed the opinion that railways would become the principal mode of transit. It was his thought by day; it was his dream by night. He talked of it until his friends voted him an intolerable bore. He wrote of it until the reviewers deemed him mad. Coaches, canals, and steam boats were, in his mind, useless. His wisdom and far ken shadowed forth the path which the purse of others consummated; and while the projector died steeped to the lips in poverty, the speculators realized great profits. His conversation was of a world which his companions could not comprehend. To appropriate the idea of Mr. Macaulay, there were fools then as there are fools now; fools who laughed at the railway as they had laughed at the canals; fools who thought they evinced their wisdom by doubting what they could not understand. For years his mind was absorbed by these dreams; and there was something magnificent in all his projects. He talked of enormous fortunes realised; of coaches annihilated; of one great general line,—and he was laughed at. He went

to Brussels; and when a canal was proposed, he again advocated railways. At last he put his thoughts into form; wrote "Observations on a railroad for the whole of Europe;" and was ridiculed; the work being suppressed, lest men should call him mad. In 1820, however, he published a book which he called "A general iron railway, or land steam conveyance," which attracted great notice. There was something so pertinacious in the man, and something so simple in his scheme, that, though it became the custom to laugh at him, his book went through many editions. When from Belgium he came to England, true to his theme, he went among the Manchester capitalists. The men who passed their lives among, and owed their fortunes to the marvels of machinery, were not yet equal to this. They listened graciously, and with a smile, something akin to pity, dismissed him as an incorrigible visionary. But opposition was vain; nor was Thomas Gray the man to be easily laughed down. He continued his labours, he continued to talk, to memorialize, to petition, to fill the pages of magazines, until the public mind was wearied and worried.

The first result of Gray's great scheme was with the capital of those men who had previously derided

him. The men of Manchester found they were paying too much for the cost of conveyance, and availed themselves of the idea they formerly denounced. A railway was projected between Liverpool and Manchester, and then commenced that ignorant opposition, of which one of the blue books contains such pregnant proof. By this it appears clearly that the transit between Liverpool and Manchester had long been insufficient; it was stated in evidence, that places were bespoke for goods, like places at a theatre; "it is not your turn yet," was a common reply, if extraordinary energy were required; and it was clearly proved that the monopolizers would only send as much cotton as they chose, arbitrarily fixing the quantity at 30 bags a week. The 55 miles by canal occupied as long as the distance to New York. The boats were too few to convey the goods; and on one canal the proprietors received for their yearly dividend the amount of their original investment. In vain were the agents importuned to render conveyance more rapid and less expensive. The monopoly remained with the owner of the canal; who, blinded by a long course of success, could not see that, with the increase of business, an increased

communication must be opened; and it is singular that when the railroad was first contemplated, and its promoters applied to the agent to take some shares, an answer, worthy of an autocratic government, rather than a commercial age, was given, of "all or none." The shrewd merchants of the North chose the latter alternative.

The difficulties, therefore, with which the new invention had to contend were legion; and the parliamentary inquiry already alluded to, produced one of the most remarkable blue books ever published. A few extracts from the folio will evince the extraordinary ideas entertained on the subject, the extraordinary ignorance evinced by men regarded as scientific, and the yet more extraordinary prejudice which marked the progress of opinion on railway transit. It is, however, right to say, that the friends and foes of the proposed scheme were equally unscrupulous in their endeavours to forward their interests, as levels were taken without permission, strawberry beds destroyed, cornfields trodden down, and surveys taken by night at the risk of life and limb. On the other hand, guns were discharged at the intruders; the land was watched incessantly; and the enthusiasm of the great

engineer of the line narrowly escaped being cooled in a horse-pond.

The objections urged by the opponents of the railway were worthy their cause. It was contended by them that canal conveyance was quicker; that the smoke of the engines would injure the plantations of gentlemen's houses; and one witness, more imaginative than perceptive, described the locomotives as "terrible things," although, on further questioning, he admitted he had never seen one. It was boldly declared that a gale of wind would stop the progress of the carriage; that there would be no more practical advantage in a railway than in a canal; that Mr. Stephenson was totally devoid of common sense; that the plan was erroneous, impracticable, and unjust, and that the tendency of the railway would be to increase the price of carriage. It was declared to be based on fraud and folly; that balloons and rockets were as feasible; and that the whole line would be under water for two and three weeks in succession.

"It is quite idle and absurd," said one, "to say the present scheme can ever be carried into execution, under any circumstances, or in any way." "Whenever," said another, with the authority of an oracle,

"Providence in Lancashire is pleased to send rain or a little mizzling weather, expeditious it cannot be." A third gave it as his opinion that no engine could go in the night time, "because," he added, more scripturally than soundly, "the night time is a period when no man can work!"

It was said that no one would live near a spot passed by the engines; that no houses would let near a station; and that all property on the line would be frightfully deteriorated. Not content, however, with proving the impracticability of the plan, the most frivolous causes were adduced to show why this, the grandest national project ever brought forward, a project which has changed the face and features of the land, the commerce of the country, and the social habits of the rural population, should not be allowed to pass.

The public services of a railroad were put in competition with the annoyance which an individual would receive from the smoke of the engines coming within 250 yards of his house; and it was pathetically asked, "Can anything compensate for this?" Gentlemen objected because it would injure their prospects, and landowners because it would injure their pockets! Pictures of ancient family residences, destroyed by the

smoke, were vividly drawn. The claims of unprotected females and reverend gentlemen were strongly urged; and pathetic representations were given of families, who had lived for centuries in their ancestral home, leaving the dwelling-place of their youth and going to another part of the town.

"Mr. Stephenson," it was boldly declared, "is totally devoid of common sense. He makes schemes without seeing the difficulties." "Upon this shuffling evidence we are called to pass the bill." "It is impossible to hold this changing Proteus in any knot whatsoever." "It is the greatest draught upon human credulity ever heard of."

"There is nothing," said one, "but long sedgy grass to prevent the train from sinking into the shades of eternal night." "They cannot go so fast as the canal," said another. A third appealed to the pocket. "If this bill succeeds, by the time railroads are set going the poor gulled subscribers will have lost all their money; and, instead of locomotive engines, they must have recourse to horses or asses, not meaning to say which." Those whose interests would be affected, decided that "locomotives could not succeed," and numberless were the sneers at the idea of engines

galloping as fast as five miles an hour. One sapient gentleman thought the trains might go at four miles and a half in fine weather, but not more than two and a half in wet.

"When we set out with the original prospectus," was the remark of the counsel, "we were to gallop I know not at what rate. I believe it was twelve miles an hour, with the aid of a devil in the form of a locomotive sitting as postilion on the fore-horse, and an honourable member sitting behind him to stir up the fire, and keep it up at full speed. I will show they cannot go six. I may be able to show we shall keep up with him by the canal." "Thus, sir, I prove that locomotive engines cannot move at more than four miles and a quarter an hour; and I show the scheme is bottomed on deception and fallacy."

Turnpike trusts were to be ruined, and therefore railroads were not to be forwarded; and it was deemed unanswerable to say that the canal interests would be hurt by the rail. Though it was proved by others that more money had been offered for land if the line passed through than if it did not, it was of no importance in the eyes of those who, blinded by selfishness, refused to be convinced. The war-cry on one side

was the venerable "vested rights;" on the other, "progress."

Men prosily and pathetically talked of tempting Providence by travelling at the rate of twelve miles an hour. The fine breed of English horses would be deteriorated, and our cavalry be worsted at the first onset. The prosperity of a great community was said to be involved in the contest; and the question of whether a few miles of railway would peril the welfare of the kingdom, was openly discussed. Stable-boys joined in the contest, and urged the greatness of their claim; the porters proved how important a class would be sacrificed to so unimportant an end; and the clergy, alarmed lest the rustic should neglect the Sunday sermon to see the passing train, added to the number of petitions. A million horses were to be thrown out of service, and eight millions of oat-growing acres to be abandoned. Gentlemen with neither sense nor science wrote treatises to demonstrate the danger of travelling more than ten miles an hour, and at the same time left on record their want of sympathy with crack-brained speculators.

But if the opponents were thus bitter in their attack upon the new scheme, they were equally ingenious in

their defence of the canal. It was described as never subject to drought; the frost never stopped it; the sun never lowered it; accidents never happened on it. Its friends were also hardy enough to contend that a saving of nine miles an hour was not sufficient to justify the attempt; and, "therefore," added one who supported this argument, "I do protest against the despotism of the Exchange at Liverpool striding across the land of this country." The reply to all these objections is in the fact that some thousands of miles are now open to the public.

The Manchester and Liverpool railway succeeded; but no reward was conferred upon Thomas Gray. Other railways followed, and were successful; but no notice was taken of Thomas Gray. The great railway mania came; but Thomas Gray was nothing in the eyes of excited speculators, greedy of gain. An endeavour was made by some of the friends of Gray to win for him the public sympathy; and the poor, old, broken-hearted man, when he respectfully begged for a situation on one of those railways which he had so greatly forwarded, was refused.

"The claim of Gray," said the *Westminster Review*, "is, that he found the railway and the locomotive

in the condition of mere miner's tools, dragged them to light, and proclaimed them as the means of universal progress. He published a practical plan, in 1820, which was scoffed at on all hands; but in 1830 was made a fact by George Stephenson, though in 1829 it was almost considered a certain thing that the haulage on the Liverpool and Manchester would either be performed by horse-power or by stationary engines."

The truth of these assertions have never been called in question. The railway press has generally recognised it. Public subscriptions for the public benefactor were proposed. A petition in his favour was forwarded to the House of Commons. But Thomas Gray was poor, and without influence; and has added another name to those who have benefited and been buffeted by mankind. Neglected by the directors of the great works he had pioneered into existence; neglected by the state, whose profits from railway stamps and railway duties are mainly owing to him; neglected by the great mass of men, who avail themselves of the conveyance which once they derided; the "railway pioneer," that title which to the last he so dearly loved, died steeped to the lips in poverty, while the speculators reaped large gains.

It is a curious circumstance in financial history that Lord Francis Egerton, the representative of the great canal projector, received shares which produced a clear profit of more than £100,000, to prevent his opposition in the House of Peers; although it is a most suggestive fact that, with the increase of railway travelling, canal property has absolutely improved. The following is the price of shares in 1824:—

Original cost.	Value in 1824.	Annual dividend.
	OLD BIRMINGHAM CANAL.	
£140	£2,840	£100
	STAFFORD AND WORCESTER.	
140	960	40
	TRENT AND MERSEY.	
200	4,600	150 and bonus.

CHAPTER XIV.

MONETARY EXCITEMENT — APPROACHES TO THE STOCK EXCHANGE—GOLD COMPANY—EQUITABLE LOAN COMPANY—FRAUDS IN COMPANIES—LOAN TO FOREIGN STATES—POYAIS BUBBLE.

THE excitement of 1824 and 1825 has usually been considered in reference to banking and the Bank of England. It is the writer's present purpose to draw attention to the social and moral evils of the period; and, by a simple detail of some curious incidents, and dangerous adventures arising out of it, to draw attention to the great and crying iniquities which obtained.

The readiness with which shares were attainable, first created a class of speculators that has ever since formed a marked feature in periods of excitement, in the dabblers in shares and loans with which the courts and crannies of the parent establishment were crowded. The scene was worthy the pencil of an

artist. With huge pocket-book containing worthless scrip; with crafty countenance and cunning eye; with showy jewellery and thread-bare coat; with well greased locks, and unpolished boots; with knavery in every curl of the lip, and villany in every thought of the heart; the stag, as he was afterwards termed, was a prominent portrait in the foreground. Grouped together in one corner, might be seen a knot of boys eagerly buying and selling at a profit which bore no comparison to the loss of honesty they each day experienced. Day after day were elderly men with shabby faces and huge umbrellas witnessed in the same spot, doing business with those whose characters might be judged from their company. At another point, the youth, just rising into manhood, conscious of a few guineas in his purse, with a resolute determination to increase them at any price, gathered a group around, while he delivered his invention to the listening throng, who regarded him as a superior spirit. In every corner, and in every vacant space, might be seen men eagerly discussing the premium of a new company, the rate of a new loan, the rumoured profit of some lucky speculator, the rumoured failure of some great financier—or, wrangling

with savage eagerness over the fate of a shilling. The scene has been appropriated by a novelist as not unworthy his pen. "There I found myself," he writes, "in such company as I had never seen before. Gay sparks, with their hats placed on one side, and their hands in their breeches pockets, walked up and down with a magnificent strut, whistling most harmoniously, or occasionally humming an Italian air. Several grave personages stood in close consultation, scowling on all who approached, and seeming to reprehend my intrusion. Some lads, whose faces announced their Hebrew origin, and whose miscellaneous finery was finely emblematical of rag fair, passed in and out; and besides these, there attended a strangely varied rabble, exhibiting in all sorts of forms and ages, dirty habiliments, calamitous poverty, and grim-visaged villany. It was curious to me to hear with what apparent intelligence they discussed all the concerns of the nation. Every wretch was a statesman, and each could explain, not only all that had been hinted at in parliament, but all that was at that moment passing in the bosom of the Chancellor of the Exchequer."

The entrance to the Stock Exchange became at last

so choked up, that nothing but a fine of £5 on those who stopped the way, had any effect in dispersing the nuisance.

Among the companies which sprung up daily, was one to make gold; and success was declared to be undoubted. The shares were all greedily taken: and it was then advertised that, as the expense of producing 1 oz. of gold would cost double the value of the produce, the company would be dissolved, and the deposits kept to pay expenses.

The capital of a mining company was divided between fifty proprietors, whose advertisements and puffs were disgraceful. The meanest utensils of the peasantry were declared to be silver; and, although there were but ninety-nine mines in the whole district, the company professed to have purchased 360. In a place containing 5,000 inhabitants, it was affirmed the projector possessed 3,000 mines; and, although they had been previously abandoned after a loss of £170,000, they were purchased at a high price, and puffed to an enormous premium.

The equitable loan company was another specimen. In paragraphs, calculated to excite the sympathy of the public, the directors denounced the profits of

the pawnbroker, arraigned his evil practices, and delicately concluded by hinting that a company formed upon the most philanthropic principles, and paying 40 per cent., would soon be formed. The philanthropy might have been proclaimed for centuries, but 40 per cent. was irresistible. The Duke of York good-naturedly lent his name; members of parliament were bribed with shares; and when it was honestly said by one that "the bill would never pass the house," the triumphant reply given was "Oh! we have so many on the ministerial, and so many on the opposition side, and *we are sure of the saints!*" The shares, however, went to a discount; both opposition and ministerial members lost all interest in the nefarious doings of the pawnbrokers, and the philanthropy of the saints faded with the fading vision of 40 per cent.

The Bolivar mining company boasted of "mountains, not mines," of metals. A railroad was projected to cross from Dover to Calais. A loan of £225,000 was proposed for Patagonia; another in derision advertised for the Lilliputian and Houyhnhnms of Swift's political satire; and, to assist them all, a parliamentary steam company announced to pass more rapidly the bills before the house.

At the formation of another mining company the utmost magnanimity was evinced. Rules were passed that none of the directors should hold more than 200 shares, that all which remained should be brought honestly into the market, and that everything should be fair. But this moderation waxed weaker as their power increased. Thousands of shares were allotted among the managers, and locked carefully up. A resolution was passed that no director or officer should be required to pay deposits; and then, employing the most respectable brokers to purchase 1,000 shares with the money of the company, they created a sensation in the market, and sent them to a premium. The person who sold the mines to the company was employed to report upon their value. Opinions the the most flattering were given of property absolutely worthless; and, as a proof of the greediness of one party and the incapacity of the other, it may be mentioned that a mine, the full value of which was £400, was purchased at £11,000; and that £121,000 were paid for some which, in almost every instance, were exhausted.

When the Lower Rhine Steam Navigation Company was announced, it became a great favourite. Large

quantities were sold for the account; and as the settling time approached the premium rose to 28. The sellers were unable to deliver the shares, and their difficulties became serious. To meet them, new receipts were printed, closely imitating the old, the name only of the banker being changed. The deceit was discovered. A committee sat to elucidate the fraud, and the supposed concoctor was expelled from the Stock Exchange. The circumstance excited great attention at the time; and many more were said to be implicated than it was in the power of the committee to reach.

Another peculiar feature of the period was to be found in the loans which preceded and accompanied the memorable era when the public was wild to lend its capital to foreign states, and the resources of the borrowers were scarcely regarded. The dividends of the English funds were scoffed at; the general rate of per centage was increased in the eyes of the many; Patagonian or Lilliputian securities which promised 8 per cent. were eagerly looked for; and solid loans were followed by visionary dividends.

It is a somewhat curious fact that, directly the Navy 5 per cents were reduced, the people rushed

wildly into new securities to retrieve their loss, and missed in the promises of the one the certainty of the other. In 1822 foreign states which, in some cases, had not even attained the freedom for which they fought, became creditors to the English public to the amount of £10,150,000.

Chili, after a protracted resistance to the mother country, found success follow its efforts. Lord Cochrane gave his powerful support to the navy; and, in 1818, a large tract of coast was declared by him in a state of blockade. The vigour of his lordship proved too much for the royalists; and in a short period a free constitution with a popular government was appointed. But neither the free constitution nor the popular government could do without money. The Chilian republic, therefore, borrowed one million of the English people, at 6 per cent.; and, having received the cash, thought it unnecessary to pay interest after 1826.

Peru, a place so interesting to the historic reader, from its early discovery, its connexion with the Spaniards, and the cruelties of Pizarro, exhibited another specimen of loan contracting. After years of violent commotion and of resolute resistance, her independence

was proclaimed; but independence did not produce quiet, and the name of Bolivar became known in a sanguinary and protracted war. The Spaniards refused quietly to yield their territory: Lima surrendered to Spanish troops; and though they were dispossessed by Bolivar, and Peru became safe from subjugation, doubt, distrust, and anarchy remained. During this period the opinion of the English people may be guessed from the fact that they lent, in 1822, £450,000 at 6 per cent., and that it was contracted for at 88 per cent.

Colombia, which only dates its history as a nation from 1819, followed. During the contest which preceded its independence, the insurgents were supplied with implements of war and ammunition from this country, on the security of debentures bearing 10 per cent. interest; and when the great battle in which Bolivar, the hero of American independence, obtained a complete victory, and consummated the freedom of Colombia, was fought, the new state borrowed two millions at 84 per cent.

Poyais was another instance of English liberality. £200,000 were lent on a security so visionary, that not one dividend was ever paid; while sadder and

more sorrowful effects than this followed. Adventures which commercial history has rarely paralleled marked its progress; and sufferings which make us shudder at the recital, were the result of the delusion. But little known out of a particular circle, the name of the Poyais settlement is never mentioned there but with feelings of unmitigated detestation.

A Scotchman, named Gregor Mac Gregor, claiming to be chief of the clan which bears his name, formed the idea of creating a settlement on the shores of the Black River. The first appearance of this man in a public character was in the service of the patriots of Spanish America. Under the florid title of "General of brigade of the armies of the united provinces of New Granada and Venesuela, and general-in-chief of the armies destined against the Floridas," he succeeded in seizing a place known as Amelia Island, which he proposed to use for purposes of aggrandizement. His views proving fallacious, he vacated it; and was next heard of as carrying, with a trifling force, the rich town of Portobello. Here he addressed to his men a manifesto, in which gold and glory, plunder and patriotism, equally occupied its periods. Scarcely was it issued, however, ere the force of Mac Gregor

was surrounded, and the great general could only save his life by leaving his followers, leaping out of the window in his shirt, and swimming on board his ship. It is probable that, during these campaigns, the idea of a settlement first occurred to Mac Gregor, as, not long after their conclusion, he proposed the plan of emigration about to be related; a plan by which colonization was to extend to that part of America known as the Muskito country. The more pleasing title of Poyais was given; the Stock Exchange was employed to circulate some bonds for a loan of £200,000, at 80 per cent., on the security of the country; and a land renowned for its inhospitable climate was puffed into a most undeserving celebrity. Every device of human ingenuity was practised. Books were published in which the climate of Paradise seemed uncongenial by that of Poyais. The air was soft and balmy; the sun and sky were alike fructifying; the soil yearned to yield its fruits; the water ran over sands of gold. Grain was to grow without sowing. Tortoiseshell, diamonds, and pearls, were plentifully promised; and to the least imaginative the most glowing realms of the Pacific grew pale in comparison with a region where the sun was ever

bright, and the soil ever yielding. Labour would be superseded, life commenced in hardship would end in luxury; while gorgeous pictures of "the finest climate and most fertile place in the world," excited the undisciplined imagination of those who had the money necessary to convey them thither. A song, to be paid for by a company of Poyais lancers, was chanted in the streets; and the attention of the passing crowd was attracted by hired ballad-singers. The new home was to be graced with a knight of the Green Cross, a colonel to command, three legislative houses to guide its affairs, and a sovereign in the person of Gregor Mac Gregor, under the romantic title of Cacique of Poyais. An agent was employed to make sales of land, and, unhappily, the applicants were numerous.

Nor was this all. An engraving was published in which a church attracted the religious sympathies of some, and a bank the mercenary thoughts of others; while a theatre gave an air of civilization and luxury to the scene.

Tempted by such descriptions, two hundred and fifty persons embarked for the land of promise; their lives, their fortunes, and their families, engaged in a

scheme which led to destruction. The mere adventurer was drawn by the beauty of the settlement, the fineness of the climate, and the hope of making a fortune. The son of the soil who had amassed a capital, which in Great Britain was unable to save him from the poor-house, but promised in Poyais a sufficiency for life, gathered his family together, sold his little furniture, reserving, with Scottish piety, the bible which had often consoled his Scottish hearth, and sought an unknown clime, and a new home for his household deities. Notes, payable at the Bank of Poyais, were given in exchange for notes of the Bank of Scotland, under the plea that the latter would not circulate in the Musquito county. At length the barks which were to conduct the settlers were entered at Leith harbour; and under different auspices, but with similar results to those which marked the Darien expedition from the same port, they left the spot which many were destined to see no more.

Their arrival at the Black river was ominous. As their vessel neared the new country, a gun was fired, and colours hoisted to announce the coming of the emigrants. Every moment they looked anxiously out for some symptoms of the settlement. Every

eye was strained to see the spire of the church which, in all their dreams, had decorated their home. Every heart beat with a strange unwonted anxiety as they came near the place which had been pictured in such vivid colours. No great powers of imagination are necessary to conceive their watchful expectation, as hour after hour passed, and their signals remained disregarded; or with what a bounding joy they must have seen the first boat, conveying three white people, approach the ship. The delusion was brief; and a few words damped their hopes and destroyed their visions, by the information that it was a savage, sterile, and desolate spot. Greatly dispirited, they commenced a sad and sullen journey up the creek. With a burning sun and sky above, no traces of civilization around, exhausted by the climate and galled by insects, which the heat of the air nourished in great size, they proceeded with an almost funereal melancholy to their city of refuge. The young and ardent asked for gold and gems; the old and cautious looked at the situation, as, with an anxiety they could not conceal, they questioned of the soil, its capabilities, and its cultivation. "Lo!" wrote one, who suffered greatly in this disastrous expedition. "Lo!

they said it was all swampy." By the shades of evening they landed, and eagerly looked for their future home. It was too dark to see where the old town of St. Joseph's formerly stood, as its site was covered with bushes; and new town there was none, save a couple of huts, scarcely worthy the name. The next day the terrible heat of the climate demanded shelter; but with every possible exertion it occupied three days in clearing sufficient ground for their habitation. Some wept at sight of the desolate spot; others gnashed their teeth; while many, yielding to despair, threw themselves on the ground, and declared themselves abandoned of God and man. The more hopeful were employed in pitching tents, and had scarcely commenced landing the goods, on which their safety depended, when a great gale arose, and the vessel was blown away; nor did they hear of her until a month had elapsed. Their situation was not only painful and perilous, but almost hopeless. Hardy as they were, and fit to battle with any fate, they bore with them those for whose safety they would gladly have perilled their lives.

The young child and the aged grandsire, alike incapable of restraining their wants and wishes, were

there. The mother and the infant, the maiden and the matron, had each its representative. "Bushes were around, and the moon above," wrote one of the survivors. Night brought its fearful malaria—day its yet more fearful sun; and who can imagine the first dig of the spade which, as it sunk deeply into a soil, half mud and half water, sunk more deeply into the heart of the unhappy agriculturist. They sowed corn, and the sun withered it as it rose from the ground. They planted potatoes, and as they sprung up, they perished from the great heat. A further danger appeared to the settlers. They were told by the king of the Musquito nation, that no grant would be recognised by him, and that they must acknowledge allegiance or quit his territory. In these circumstances it was deemed advisable for a deputation to wait upon his majesty; and over sandy beaches they took their way. Weak from want of food, weary from want of rest, their journey proved one of toil and trouble. The rainy season was fast approaching; sickness and death decimated the wanderers; and vainly did they make desperate efforts to avert their impending fate. One party procured a boat and started in search of aid; but,

unhappily, forgetting to take water, died ere it could attain help. Others bought a canoe, and, with Indians to guide them, were scarcely at sea, ere their treacherous companions plundered and flung them overboard. Those who remained had yet to be acclimated; and sickness added to the sufferings they had already endured. Eating salt provisions; drinking impure water; burning by day, and shivering by night; on the borders of a creek which bred disease; with a fatal malaria around; they were unable to resist the ague, which in its worst form seized upon them. Without help and without hope; far from home; in an inhospitable country, sickness seized upon one and all. It spared neither age nor sex, neither strength nor decrepitude. The most resolute fell beneath its power; the weakest felt its fatal influence; and so fearfully was the colony at one time situated, that not one could lift a finger to assist the other. Death ensued; and the only portion of the soil gained by many was that which gave a grave. The mortality was two-thirds.

But these were not the only evils. In September, 1824, it was said "another thing, in the shape of a Poyais loan, has been brought into the market."

Great as the excitement was, there were not many disposed to risk their money; but those who did, were persons who had saved a small amount, which, though insufficient to live upon, was sufficient to excite a desire for more. By this class a considerable sum was advanced; and the ruin which fell upon them was tremendous. Their despair was loud, but useless. The Poyais loan was an epoch from which many dated for the remainder of their lives; and the figure of one of these unhappy speculators must still be familiar to some readers, as she wandered daily through the offices of the Bank of England, and the purlieus of the Stock Exchange, exposed to all the annoyances which fall upon those who earn their bread in the public thoroughfares. The Poyais scrip was destined to a lower employment still. It was used during the mania for foreign loans in 1836, as a mode of jobbing, the turn in which, suited to the pockets of those who dealt in it, varied from a half-penny to a penny, according to the demand.

Emigration received a great shock, and "to be served like the Poyais settlers" was a common excuse of the poor and unthinking. If, however, the Stock Exchange proved indirectly injurious to the great cause in this instance, one of its members

has done more towards its assistance than is often effected by individual exertion. The efforts of Mr. Benjamin Boyd will form an important chapter in some future history of our Australian colonies; as, from his determined energy, an impulse has been given to emigration which no future official supineness can eradicate.

Steam navigation to Australia is greatly desirable, and governments which, as the present volume proves, often lavish their money unworthily, should at least be ready to assist in achieving so great and beneficial a fact. All local objections are overcome. The difficulty of the "barrier reef," is proved to be an idle dream; and the time will yet arrive when men will wonder that a few thousand pounds should for years have retarded steam navigation to colonies important alike to the commerce, the comfort, and the civilization of England. The writer gives the following to show that the few words he has said are not unsupported:—

"We unhesitatingly and confidently reply that, for all this, the colony has to thank Mr. Benjamin Boyd. With this gentleman solely the movement originated; by him and his family it has been maintained and

supported. To this cause Mr. Boyd has devoted his individual labour; he has lavished his wealth on it; he has enlisted in it the activity and talent of his own relations, and that of their numerous and influential friends; he has supplied them with information and advice, and urged on their flagging zeal, when requisite, up to the formation of the Colonization Society, and the commencement of the Colonization Crusade now in progress. And in this course he has persevered, in spite of obstacles cast in his way by the colonists themselves, in spite of obloquy and ridicule from men who were to benefit by his exertions, but on whose ignorance and supineness his stirring activity was a bitter and ceaseless censure."

CHAPTER XV.

LOAN TO GUATEMALA—DISPUTE CONCERNING IT—GREEK LOAN—ITS MISMANAGEMENT—ASSERTED JOBBING—MR. HUME—DR. BOWRING—QUARTERLY REVIEW—PROPOSED TAX ON TRANSFERS.

GUATEMALA was a further specimen of loan-making. According to custom, Barclay and Co. announced that they were appointed agents to the above state, and were prepared to receive tenders for a loan to the amount of £1,500,000. The house of Powles and Co. stood highest on the list; and it was publicly stated that their offer of 68 per cent. was accepted. The first payment was to be made on 22nd September, 1825; and should either of the instalments not be paid, those previously received were to be forfeited. The price was considered low; and Mr. Alderman Thompson took £10,000 of the loan, at an advance of 5 per cent., paying £4,000 as a deposit to Barclay and Co., as the agents. When the sixth instalment became due, Powles and Co. advised Mr. Thompson

not to pay it, as a serious disagreement had arisen between the government of Guatemala and their agents.

It appeared that Barclay and Co. had induced Powles and Co. to allow their names to appear as contractors for the whole, while Barclays were the real possessors of a million of that stock, the whole of which they publicly announced had been taken by Powles. The news, however, reached South America; and the government, indignant at this conduct, repudiated the acts of Barclay, refusing to pay any dividend on the loan. Under these circumstances the purchaser declined to pay any more instalments, and Barclay declared the previous deposits to be forfeited.

Mr. Thompson appealed to the courts of law; but law and equity rarely go hand-in-hand. The defendants contended that 6 per cent. was usurious: the justice of the case was one thing, but international law was another; and it was, therefore, a triumph —but one which few would envy—when the Vice Chancellor "confessed that the case appeared such as would entitle the plaintiff to the equitable relief prayed; but, as contracts for loans were illegal if

the contractors were at war with an ally of England, it could not be entertained as a subject of suit."

It is not to be wondered at that this willingness to lend found a corresponding willingness to borrow. It was not alone the South American states that came into the market; nor was it only republican dictators who were anxious to borrow. Denmark accepted £3,000,000, Portugal took £1,500,000, and Russia £3,500,000.

From this period up to 1825 loans to foreign places —foreign powers they cannot be called—were very frequent. Brazil borrowed £3,686,200 in 1824, and in 1825 two millions more. Buenos Ayres followed the good example, received one million, and then omitted to pay the dividend; while Mexico took £6,400,000. The emancipation of this country from the yoke of Spain was a fair specimen of the liberal principles of the Liberals of this period. Augustin Iturbide matured a plan to emancipate Mexico; and, having expelled the Spaniards, established a regency, nominated by himself, formed of his own creatures, and controlled by his own will. The army was with him, the usurpation of the throne followed, and the dictator was proclaimed emperor. The crown was made

hereditary, his sons were to be princes, a million and a half of dollars were settled on him, and all the accessaries of royalty were established.

A million and a half of dollars were more easily voted than procured. Money was scarce, and the new emperor exacted it with severity. The people grew disgusted; the opposition saw its time; disaffection spread to the troops; and Iturbide tendered his resignation to the senate he had formed. It need scarcely be added that the dividends were as difficult to get from Mexico as they were from Peru.

But the Greek loan was the most extraordinary feature of the period; and with it is concluded the present rapid sketch of the bubbles of 1825.

The history of its mismanagement is one of those strange records of which the writer has seen so many during his search into the byeways of financial history. It must be in the memory of many, that for some years previous to 1824 the arm of the Greek was lifted in resolute, though almost hopeless, resistance against the Ottoman. When the intelligence reached England that the nation whose tongue was classic, whose statuary was regarded with despairing wonder, whose records formed one of the finest pages of history, was

after centuries of subjugation, striving to obtain freedom, a genuine enthusiasm pervaded English society. The antique grandeur of Greece was remembered; the ancient glory of her people brought to mind; names which had roused the enthusiasm of schoolboys were repeated; the clime which had produced the great men of a great age was in every man's thought; dreams of renewed glory were in every man's brain; and on every man's tongue, and in every man's heart, were the virtues of that past world revived. Of this feeling the subtle Greek availed himself, and negociations were entered into to procure a loan. The proposal was favourably received by the Stock Exchange. In 1824, two agents of the Greek government, or deputies, as they were popularly called, arrived in London; and loans to the amount of £1,602,000 were raised for the service of Greece. This sum was not placed uncontrolled in the power of the deputies, the sanction of Mr. Edward Ellice, Mr. Joseph Hume, and another, being necessary to its appropriation. After much hesitation, 50,000 sovereigns were despatched to aid the cause; but when they arrived the government of that unhappy country refused to give any pledge as to their worthy employ-

ment. The emissaries declined to part with their treasure without; and, to the alarm of the Greeks, they saw this large amount sailing from their shore. Any pledge would now have been given; and the English emissaries were followed with protestations and promises, which meant nothing but an earnest desire for the gold. Scarcely had the ill-fated vessel returned, ere the yellow fever attacked the crew. Helpless and dying, they reached the Asiatic coast; and their money was taken by the Greek government with an avidity which did not affect disguise.

Mismanagement marked the progress of the cause in Europe as in Asia. Two excellent Swedish vessels were offered for £47,000: time was success, and, instead of purchasing vessels ready for action, contracts were made with America for two frigates at £160,000. A cavalry officer was appointed to superintend the naval department, and in two months and a-half, five steam boats were to be placed at the disposal of Lord Cochrane. "Within a few weeks," said Mr. Ellice, rather more pompously than to the purpose, "Lord Cochrane will be at Constantinople, and burn the Turkish vessel at that port. Cochrane will suffice for admiral and general. He will clear Greece of the

Turk." "Give yourselves no further concern about the matter," said Sir Francis Burdett, speaking as familiarly of war as of reform; "your country shall be saved." But though Sir Francis Burdett and Mr. Ellice said it, the country was not saved. After spending £155,000 on two frigates, £50,000 more were required to finish them. This was not forthcoming, and the vessels were seized. All seemed anarchy and confusion. Schemes of the most extravagant character were propounded. Three very important towns were to be besieged and carried by one thousand men. A free press was to shed light and lustre around. Improvements which were impracticable, and a constitution which could not be carried, were promised.

During this unhappy period, the news of cities burned to the ground and forts stormed—of besieged places sacked after months of heroic resistance, aroused the public; and a storm of indignation was poured upon projectors, deputies, and proprietors. The flagrant enormities of the management were exposed, the military projects discussed, the financial artifices denounced; and attention was pointed, through the report of the committee, at two, whose voices, loud in the cause of Greece, were said to be louder in their

own. Joseph Hume, a member of the senate, and John Bowring, a linguist and a scholar, were on the committee. Reports which touched the honour of both were in free circulation. Political feeling, perhaps, prompted many of the remarks; and the public press asserted that to which no honourable man could submit. Mr. Merle, at a public meeting, said "He had been told that certain portions of the Greek loan had been appropriated to Mr. Hume; that those bonds had not been taken up; and that they had afterwards been sold at a great loss to the Greek government."

"Mr. Hume," wrote a daily paper, "has been publicly accused of fraud and hypocrisy, in throwing upon the Greek nation the loss which attended a speculation of his own, while acting in the assumed character of a friend to the cause."

It was proved that one million had been wasted in commissions and military preparations; in Stock Exchange transactions and Stock Exchange jobbing. The Greek deputies received allowances larger than those paid to the diplomatic agents from great courts. Mr. Hume, in his ardour for Greece, had £10,000 assigned him of the first loan. The price fell 16 per

cent., and his ardour was said to have fallen in proportion. Alarmed a at loss so great, the senator endeavoured to release himself from the burthen; but when he applied to the deputies and contractors, he was met with the reply that had the stock risen, he would not have returned the gain. The argument was sound, but the head is obtuse when the purse is endangered; and Mr. Hume—clear-headed, generally—could not see the fairness of the position. After some correspondence, the deputies agreed to take it off Mr. Hume's hands, at 13 instead of 16 per cent. discount; thereby saving Mr. Hume £300 out of the loss of £1,600, which he first feared. In time, the Greek cause grew prosperous, the stock rose to par, and Mr. Hume, with a singular power of perception compared with his previous notions, claimed the £1,300 which he had lost. The surprise of the deputies may be imagined, and they must have had curious ideas of the way in which the friends of Greece wished to serve her. Mr. Hume, however, was powerful; Mr. Hume was a senator; and to Mr. Hume was accorded a privilege for which others might have looked in vain. But a further question arose. Mr. Hume, remarkable for the closeness of

his calculations, discovered that £54 was due for interest. This he applied for, and this was granted.

The defence of Mr. Hume was comprised in the assertion that some of his actions having been misinterpreted, because he was a proprietor of stock, he had determined to part with it. The deputies offered to save the friend of the cause so great a loss; and Mr. Hume thought the conclusion at which they had arrived a sound one. After some correspondence, they agreed to take his stock at 13 per cent. discount, the market price of 16 per cent. being but nominal. Mr. Hume wished to be relieved entirely; but this the deputies declined. Shortly after, Mr. Hume was informed that these gentlemen would pay him the sum he was deficient; and as he considered this as fair, and not as a favour, he also considered he was entitled to the interest. "The worst that any one can say of me," concluded Mr. Hume, "is that I may have evinced an OVER ANXIETY TO AVOID A PECUNIARY LOSS." Mr. Hume probably remembers his over anxiety to the present day.

The case of Dr. Bowring was equally memorable. The sum of £25,000 had been allotted to this gentleman, and his horror and alarm may be conceived when

he saw it decline to a discount of 18 per cent. The doctor was very vehement in his applications. He represented his great services he worried the unhappy deputies; he placed his cause before them in such vivid colours, that the stock, which had fallen to 18 per cent. was taken off his hands at only 10 per cent. loss. When it rose to par, he imitated his illustrious fellow-labourer, and applied to have it returned. He was reminded that he had parted with his stock; but the doctor, blessed with a short memory, professed to have forgotten the very circumstance which it had cost him an agony to compass. The letters of Dr. Bowring were somewhat *naïve*. "I am still the holder of a considerable sum, and I hope we shall see the loan rise to a good price for *the benefit of everybody*." "*As the difference to me is a serious one, and to the Greek government of little importance,* I hope you will oblige me by allowing the return of the £25,000 scrip."

There were statements and counter statements in the journals; there were pleadings and special pleadings in the magazines, there were eloquent papers in the Westminster Review, to prove it was all right; and there were powerful articles in the Quarterly

to prove it was all wrong. "The economical Mr. Hume's over anxiety for scrip," said the latter; "the erudite Mr. Bowring's various translations of stock; the romantic partiality displayed for per cents. by Orlando, have been sufficiently discussed. Public opinion is quite made up in all these details; and when the sacred cause of insurrection all over the world shall again need a loan, the suffering patriots may allow such statesmen to plead their cause, to clamour about their wrongs, to weep over their miseries, to dabble in metaphysical, poetical, and periodical departments —provided they do not meddle with the pecuniary."

A poem was extensively circulated, in ridicule of the affair, and with an extract, the present account of the Greek loan is concluded:—

"Oh! when the bubble burst, 'twere sweet to mark
How cash and cant roared in alternate bark;
Here, "Missolonghi's fall the spirit shocks;"
There, "Were that all—but, oh! the price of stocks!"
Here, "Brimful now is misery's fatal cup,
The Turks have blown another fortress up!"
There, "Forts blown up? I've heavier news to tell;
The scrip, the scrip will be blown up as well!"
One cries, "The cause is lost!" another, "Zounds,
Who cares? I've lost my four-and-fifty pounds!"
Snuffles a saint, "I sorrow for the cross;
But nineteen discount is a serious loss."
Whispers a sinner, "Why, the thing must fall;
But, 'twas a very pretty bubble after all!"

The following extract from Dr. Shelton Mackenzie's "Partnership en Commandite," will form a fitting conclusion to the history of the foreign loan excitement of 1825:—"Upwards of 25 millions sterling were advanced in foreign loans, of which the show of paying even the smallest dividend is scarcely kept up. Taking into account the foreign loans, the investments in foreign funds, and the amount advanced for foreign railways, about 100 millions sterling have gone out of this country in the last twenty-five years. Three-fourths of this immense capital are irretrievably sunk."

"I always," said a retired financier of great capacity, "tell my brokers to sell when the Whigs come into office, as they are sure to lower consols with the credit of the country." To intimate that the Whigs were in office in 1831 is to say that their financial difficulties were great. In this year curiosity was raised to know the mode which the Chancellor would adopt to meet the deficient revenue; and great was the surprise of the commercial public when this gentleman boldly proposed that upon every transfer of funded property a tax of 10s. per cent. should be placed. From this source he reckoned upon £800,000,

It need hardly be said that the city received the proposal with such a burst of contemptuous derision that the unhappy chancellor in a very short time consented to abandon it.

In the following year the reform question startled many capitalists, and large sales of funded property were made. Some, alarmed at what appeared more like revolution than reform, when they heard of "moral demonstrations" to be made by two hundred and fifty thousand determined men; of soldiers detained in their quarters on Sunday, to sharpen their swords; of mutiny among the Scots Greys; of business suspended, and all the usual accompaniments of great changes,—determined to sell securities which a day might render worthless. The dealers narrowed their personal operations to a limit consistent with safety; while others sold all, and purchased in foreign funds. The feeling of these individuals was evinced by the fact that they bought chiefly in Russian funds, as affording greater security.

For a considerable number of years many who, not members of the Stock Exchange, yet dealt in its securities and acted as brokers, employed the Rotunda of the Bank of England for their transactions. The

broker who had no counting-house made it his place of business; and his clients waited there until the transfer was ready, or the business was arranged. As a theatre for jobbing it interfered with the Bank; but Mr. Curtis, governor of that establishment, turned them out somewhat unceremoniously; and, when he afterwards failed in business, so great was his unpopularity with those he had summarily dismissed, that the news of his bankruptcy was received with three cheers by the members of the Stock Exchange. It is impossible to give a fact more suggestive of the manners of the men from whom so disgraceful a token of triumph emanated.

The great increase in the business of the foreign funds called for additional space: a room was, therefore, opened for the dealers; and from this arose the Foreign Stock Exchange, which for some years maintained a separate committee, chairman, and deputy chairman. It now forms part of the edifice known as the Stock Exchange.

The number of members varies. It has reached 1,000; it has descended to 400; and it now numbers about 800.

CHAPTER XVI.

SKETCH OF THE LIFE OF ROTHSCHILD—COMES TO ENGLAND—INTRODUCTION OF FOREIGN LOANS—LARGE PURCHASES—ANECDOTES CONCERNING ROTHSCHILD—HIS DIFFICULTIES AND ANNOYANCES—HIS DEATH AND BURIAL—LAST CRISIS ON THE STOCK EXCHANGE.

THE eminent abilities of Nathan Meyer Rothschild were inherited from his father, who, educated for the synagogue, distinguished himself as a financier, and, though engaged in the uncongenial sphere of a counting-house, became a learned archæologist. Frankfort, Berlin, Vienna, London, Naples, and Paris, have alike witnessed the prescience of the money-making Rothschilds; and it is reported that the first great success of Meyer Anselm, the father of the house, originated in the possession of the fortune of the Landgrave of Hesse Cassel, which he saved from the grasp of Napoleon, and which must have been to a commercial man of the utmost importance.*

* "The Prince of Hesse Cassel," said Rothschild, "gave my father his money; there was no time to be lost: he sent it to me. I had £600,000 arrive unexpectedly by post; and I put it to such good use, that the prince made me a present of all his wine and linen."

By his own report, Nathan Meyer Rothschild came to Manchester because Frankfort was too small for the operations of the brothers, although the immediate cause was some offence to a customer; and it is characteristic of the intrepidity of the man that, with scarcely any hesitation, and with an absolute ignorance of the English language, he came to the country in which he realised such great results. On Tuesday he told his father he would go to England, and on Thursday he started. With £20,000 he commenced his career; and in a short time his capital was trebled. At Manchester he soon saw there were three profits to be made, in the raw material, the dyeing, and the manufacturing. It need hardly be added that his great mind had stomach for them all, and that, having secured the three, he sold goods cheaper than any one else. This was the foundation of that colossal fortune which afterwards passed into a proverb; and, in 1800, finding Manchester too small for the mind which could grapple with three profits, Rothschild came to London. It was the period when such a man was sure to make progress, as, clear and comprehensive in his commercial views, he was also rapid and decisive in working out the ideas which presented themselves.

Business was plentiful; the entire continent formed our customers; and Rothschild reaped a rich reward.

From bargain to bargain, from profit to profit, the Hebrew financier went on, and prospered. Gifted with a fine perception, he never hesitated in action. Having bought some bills of the Duke of Wellington at a discount, to the payment of which the faith of the state was pledged, his next operation was to buy the gold which was necessary to pay them, and when he had purchased it, was, as he expected, informed that "government required it." Government had it; but doubtless paid for the accommodation. "It was the best business I ever did!" he exclaimed triumphantly; and he added, that when the government had got it, it was of no service to them until he had undertaken to convey it to Portugal.

In 1812, Meyer Anselm, the head of the house, died at Frankfort. A princely inheritance, unbounded credit, and solemn advice never to separate, were left to his four sons. From this period, Nathan Meyer Rothschild was regarded as the head, though not the elder of the family; and skilfully did he support and spread the credit of the name. Previous to the advent of Mr. Rothschild, foreign loans were some-

what unpopular in England, as the interest was receivable abroad, subject to the rate of exchange, liable to foreign caprice, and payable in foreign coin. He introduced the payment of the dividends in England, and fixed it in sterling money, one great cause of the success of these loans in 1825.

Although Mr. Rothschild was commonly termed a merchant, his most important transactions were in connexion with the Stock Exchange. It was here that his great decision, his skilful combinations, and his unequalled energy, made him remarkable. At a time when the funds were constantly varying, the temptation was too great for a capitalist like Mr Rothschild to withstand. His operations were soon noticed; and when the money market was left without an acknowledged head by the deaths of Sir Francis Baring and Abraham Goldsmid—for the affairs of the latter were wound up, and the successors of the former did not aim at the autocracy of the money market—the name of Nathan Meyer Rothschild was in the mouths of all city men as a prodigy of success. Cautiously, however, did the capitalist proceed, until he had made a fortune as great as his future reputation. He revived all the arts of an older period.

He employed brokers to depress or raise the market for his benefit, and is said in one day to have purchased to the extent of four millions.

The name of Rothschild as contractor for an English loan made its first public appearance in 1819. But the twelve millions for which he then became responsible went to a discount; it was said, however, that Mr. Rothschild had relieved himself from all liability before the calamity could reach him. From this year his transactions pervaded the entire globe. The old and the new world alike bore witness to his skill; and with the profits on a single loan he purchased an estate which cost £150,000. Minor capitalists, like parasitical plants, clung to him, and were always ready to advance their money in speculations at his bidding. Nothing seemed too gigantic for his grasp; nothing too minute for his notice. His mind was as capable of contracting a loan for millions, as of calculating the lowest possible amount on which a clerk could exist. Like too many great merchants whose profits were counted by thousands, he paid his assistants the smallest amount for which he could procure them. He became the high priest of the temple of Janus, and the coupons raised by the

capitalist for a despotic state were more than a match for the cannon of the revolutionist.* From most of the speculations of 1824 and 1825 Mr. Rothschild kept wisely aloof. The Alliance Life and Fire Assurance Company, which owes its origin to this period, was, however, produced under his auspices; and its great success is a proof of his forethought. None of the loans with which he was connected were ever repudiated, and when the crash of that sad period came, the great Hebrew looked coolly and calmly on, and congratulated himself on his caution. At his counting-house a fair price might be procured for any amount of stock which, at a critical time, would have depressed the public market; and it was no uncommon circumstance for brokers to apply at the office of Mr. Rothschild, instead of going in the Stock Exchange.

He was, however, occasionally surpassed in cunning, and, on one occasion, a great banker lent Rothschild a million and a-half on the security of consols, the price of which was then 84. The terms on which the money was lent were simple. If the price reached

* In 1824, it was said that public attention was so entirely absorbed by financial operations, that the movements of Mr. Rothschild and a few London capitalists, excited an intensity of expectation scarcely inferior to the march of armies.

74, the banker might claim the stock at 70; but Rothschild felt satisfied that, with so large a sum out of the market, the bargain was tolerably safe. The banker, however, as much a Jew as Rothschild, had a plan of his own. He immediately began selling the consols received from the latter, together with a similar amount in his own possession. The funds dropped; the Stock Exchange grew alarmed; other circumstances tended to depress it; the fatal price of 74 was reached; and the Christian banker had the satisfaction of outwitting the Hebrew loan-monger.

But, if sometimes outwitted himself, there is little doubt he made others pay for it, and, on one occasion, it is reported, that his finesse proved too great for the authorities of the Bank of England. Mr. Rothschild was in want of bullion, and went to the governor to procure on loan a portion of the superfluous store. His wishes were met; the terms were agreed on; the period was named for its return; and the affair finished for the time. The gold was used by the financier, his end was answered, and the day arrived on which he was to return the borrowed metal. Punctual to the time appointed, Mr. Rothschild entered; and those who remember his personal

appearance may imagine the cunning twinkle of his small, quick eye, as, ushered into the presence of the governor, he handed the borrowed amount in bank notes. He was reminded of his agreement, and the necessity for bullion was urged. His reply was worthy a commercial Talleyrand. "Very well, gentlemen. Give me the notes! I dare say your cashier will honour them with gold from your vaults, and then I can return you bullion." To such a speech the only worthy reply was a scornful silence.

One cause of his success was the secrecy with which he shrouded all his transactions, and the tortuous policy with which he misled those the most who watched him the keenest. If he possessed news calculated to make the funds rise, he would commission the broker who acted on his behalf to sell half a million. The shoal of men who usually follow the movements of others sold with him. The news soon passed through Capel Court that Rothschild was bearing the market, and the funds fell. Men looked doubtingly at one another; a general panic spread; bad news was looked for; and these united agencies sunk the price 2 or 3 per cent. This was the result expected; and other brokers, not usually

employed by him, bought all they could at the reduced rate. By the time this was accomplished, the good news had arrived; the pressure ceased; the funds arose instantly; and Mr. Rothschild reaped his reward.*

But it was not an unvaried sunshine with this gentleman. There were periods when his gigantic capital seemed likely to be scattered to the four quarters of the globe. He lost half a million in one English operation; when the French entered Spain in 1823, he was also in the utmost jeopardy; but, perhaps, the most perilous position in which he was was placed, was with the Polignac loan, although his vast intelligence again saved him, and placed the burthen on the shoulders of others. With this, however, he suffered greatly, as the price fell 30 per cent.

He had, also, other sources of apprehension. Threats of murder were not unfrequent. On one occasion, he was waited on by a stranger, who informed him that a plot had been formed to take his life; that the loans which he had made to Austria, and his connexion with governments adverse to the

* The intelligence of this gentleman was so good, that he was the first to announce the Paris revolution of July to Lord Aberdeen, and the victory of Waterloo was known to him some days before it was made public.

liberties of Europe, had marked him for assassination; and that the mode by which he was to lose his life was arranged. But though Rothschild smiled outwardly at this and similar threats, they said who knew him best that his mind was often troubled by these remembrances, and that they haunted him at moments when he would willingly have forgotten them. Occasionally his fears took a ludicrous form. Two tall, moustachioed men were once shown into his counting house. Mr. Rothschild bowed; the visitors bowed; and their hands wandered first in one pocket, and then in another. To the anxious eye of the millionaire, they assumed the form of persons searching for deadly weapons. No time seemed allowed for thought: a ledger, without a moment's warning, was hurled at the intruders; and, in a paroxysm of fear, he called for assistance, to drive out two customers, who were only feeling in their pockets for letters of introduction. There is no doubt that he dreaded assassination greatly. "You must be a happy man, Mr. Rothschild," said a gentleman who was sharing the hospitality of his splendid home, as he glanced at the superb appointments of the mansion. "Happy!—me happy!" was the reply. "What! happy when, just as you are

going to dine, you have a letter placed in your hands, saying, 'If you do not send me £500 I will blow your brains out?' Happy!—me happy!" And the fact that he frequently slept with loaded pistols by his side, is an indirect evidence of a constant excitement on the subject.

The name of this gentleman, the entertainments given by him, the charities to which he occasionally subscribed, and the amount of his transactions in the money market, were blazoned abroad. Peers and princes of the blood sat at his table; clergymen and laymen bowed before him; and they who preached loudest against mammon, bent lowest before the mammon-worshipper. Gorgeous plate, fine furniture, an establishment such as many a noble of Norman descent would envy, graced his entertainments. Without social refinement, with manners which, offensive in the million, were but *brusque* in the millionaire, he collected around him the fastidious members of the most fastidious aristocracy in the world. He saw the representatives of all the states in Europe proud of his friendship. By the democratic envoy of the new world, by the ambassador of the imperial Russ, was his hospitality alike accepted;

while the man who warred with slavery in all its forms and phases was himself slave to the golden reputation of the Hebrew. The language which Mr. Rothschild could use when his anger overbalanced his discretion was a license allowed to his wealth; and he who, when placed in a position which almost compelled him to subscribe to a pressing charity, could exclaim, "Here, write a cheque—I have made one — fool of myself!" was courted and caressed by the clergy, was feted and flattered by the peer, was treated as an equal by the first minister of the crown, and more than worshipped by those whose names stood foremost on the roll of a commercial aristocracy. His mode of dictating letters was characteristic of a mind entirely absorbed in money making; and his ravings, when he found a bill unexpectedly protested, were translated into mercantile language ere they were fit to meet a correspondent's eye. It is painful to write thus depreciatingly of a man who possessed so large a development of brain; but the golden gods of England have many idolaters, and the voice of truth rarely penetrates the private room of the English merchant. Mr. Rothschild's was a character which may be serviceably held up as a warning. There was, however,

an occasional gleam of humour in him, sternly as his thoughts were devoted to heaping up riches. "I am as much as you," he said to the Duc de Montmorenci, when his title was granted; "you style yourself the first Christian baron, and I am the first Jew baron."

He was a mark for the satirists of the day. His huge and somewhat slovenly appearance; the lounging attitude he assumed as he leaned against his pillar in the Royal Exchange; his rough and rugged speech; his foreign accent and idiom, made caricature mark him as its own; while even caricature lost all power over a subject which defied its utmost skill. His person was made an object of ridicule; but his form and features were from God: his mind and manners were fashioned by circumstances; his acts alone are public property; and by these we have a right to judge. No great benevolence lit up his path; no great charity is related of him. The press, ever ready to chronicle liberal deeds, was almost silent upon the point; and the fine feeling which marked the path of an Abraham Goldsmid, and which brightens the career of many of the same creed, is unrecorded by the power which alone could give it publicity. Dr.

Herschell indeed said that Mr. Rothschild had placed some thousands in his hands, for the benefit of his poorer brethren; but thousands spent in a career of thirty-five years, by one who counted his gains in millions, assume a narrow form. The Jewish code prescribed a tithe; but Jewish laws are often abrogated when Jewish ceremonies are closely followed.

At last the time arrived which proves a millionaire to be a man. Mr. Rothschild's affairs called him to Frankfort, and he was seized with his last illness. The profession there could do nothing for him, and, scarcely even as a last hope, Mr. Travers, the eminent surgeon, made a rapid journey to see if English science could avail the dying Crœsus. The effort was vain, and the inevitable fate was well and worthily met. There appears even a certain degree of dignity in his resignation to the last struggle, and something touchingly manful in the wording of the will which was to surrender to others the gold won by the sweat of his brain. Breathing an almost patriarchal simplicity, it recommends his sons to undertake no great transaction without the advice of their mother, of whom he speaks with tender and even touching affection. "It is my special wish that my sons shall

not engage in any transaction of moment, without having previously asked her maternal advice."

The first intelligence of his death was received by the same method which had so often contributed to his success. Beneath the wings of a pigeon, shot in sport at Brighton, were discovered the words, "*il est mort.*" The intelligence created an intense sensation, as the uninitiated were ignorant that his illness was dangerous, and calculations were plentiful as to the amount of his fortune. A greater tumult than had been produced since the violent death of his predecessor, marked the precincts of the Stock Exchange, as it was impossible to tell the tendency of his speculations, or what effect might be produced by his unexpected demise.*

His remains were brought to England. The Austrian, Russian, Prussian, Neapolitan, and Portuguese ambassadors assisted at his funeral; and his sons, who were deeply affected, attended him to his last resting-place. The coffin which contained his massive remains was elaborately carved and gorgeously orna-

* Mr. Salomons attributed the difficulties which followed his death to the sudden withdrawal of the dexterity with which he managed the exchanges, as Mr. Rothschild prided himself on distributing his immense resources, so that no operation of his should abstract long the bullion from the Bank.

mented, looking like some splendid piece of man's cunning, destined for the boudoir of a lady, rather than the damp of the grave.

His children inherit his business; but they do not inherit his position in the stock-market. They are competitors for government loans; but though with the name remains a certain *prestige* of its former power, they do not appear willing to entertain the extensive and complicated business in the funds in which their father delighted.

The few anecdotes recorded of the gentleman whose life has been so imperfectly sketched, form a portion of many which have been carefully collected. A good life of Nathan Meyer Rothschild would be, to some future Tooke, a complete and perfect key to the financial history of the early portion of the 19th century.

The last crisis in the Stock Exchange which it is the writer's purpose to record was that memorable era in 1836, when a convulsion—scarcely equalled in degree though limited in its extent—made bears and bulls alike bankrupts.

For many years previous, the business of Capel Court had been decreasing. The attempts made to

excite public feeling were insufficient to produce much result. Consols remained without those great and sudden movements so beneficial to the members; little was done in shares; and it was remarked that the Stock Exchange had become a monetary dead sea; that the carriage seemed likely to be exchanged for the wheel-barrow; the breaking of credit for the breaking of stones; and that when the eagle eye of the hungry broker and jobber looked round for dupes, all was barren.

At length the spell was broken. The attempt of Don Pedro to seize the crown of Portugal afforded the members an opportunity of exercising their vocation; and it has been confidently said that, long before a loan was attempted, their money was employed in assisting the above expedition. Every art was used to blacken the character of Don Miguel. Every trick was attempted to excite sympathy for Don Pedro. Private memoirs were published, and anecdotes related. Truths were distorted and falsehood not unfrequently perpetrated. Paragraphs made their constant appearance, in which "our ancient ally" was represented as suffering from a most intolerable tyranny. Unbearable torture and insufferable

trials were the lot of the Portuguese people; darkness and dungeons the doom of the aristocracy. The Tagus was red with the blood of the populace, and the "tower of Belem," said a writer in Fraser's Magazine, "emitted more doubtful and indescribable sounds than its predecessor of Babel."

All these things tended to prepare the mind of the English capitalist. But a further temptation was offered. The revenues of the kingdom were pourtrayed in glowing colours. It was said that Don Miguel could, but would not, pay the interest of the existing debt, and that Don Pedro could and would. The scheme proved thoroughly successful. The note of expectation being thus sounded, a band of men was engaged, vessels were hired, and, with the aid of English money, English men, and English ships, Oporto was taken. The public mind was now ripe for a loan. The success was magnified, the achievement enlarged on, and £800,000 were demanded on the security of some port wine. The money was lent; Don Miguel fled to Rome; and the young queen was installed in his place. A further loan of two millions followed; the interest was difficult to pay, the dividends were capitalized, and great excitement pervaded

the Stock Exchange at the rumours which were currently circulated.

But another important movement was going on in connexion with loans to Spain. The principal powers of Europe had agreed that Spain and Portugal should assist each other in the expulsion from their respective territories of Don Carlos and Don Miguel, and that the other courts should assist the belligerent parties. From this treaty arose an auxiliary force raised in England to assist the youthful queen of Spain, and "The British Legion" is yet named with derision. From the courts and from the alleys of St. Giles'; from the town goal and from the rural workhouse, came half-clad, wretched, and miserable beings, who preferred being shot to being starved. Efforts to gain commissions were made by as motley a crew. Youths from the counting-house and from the shop were assiduous in endeavouring to attain them. Gentlemen with small incomes and no knowledge of war put forward their pretensions; and the officers were, in their way, a match for the men.

With all these disadvantages the legion secured the success of the cause for which it fought; and, after a series of battles, Don Carlos was compelled to fly from

the territory. A loan of course became advisable; and, although the interest on the previous debt could not be paid, it was proposed to advance an additional four millions. It need scarcely be said that, to procure this, promises were as plentiful as ever. The property of the church was to be confiscated, and the church itself to be upset, rather than not remunerate the bond-holder. By means of deferred stocks, active stocks, and passive stocks, bargains were concluded, and, for a time, all was excitement in the foreign market. Every kind of security became sought for. however worthless, it had a price, however valueless, it found a buyer; and the debts of states which had never paid one dividend, which were scarcely in existence, and which had not any revenue, advanced 100 per cent.

But the market became overloaded, and holders began to realize. Every packet from abroad bore foreign securities; and the price drooped. During the fever, Spanish cortes stock, which in 1833 was 16½, was forced to 72. Portuguese was done at 102, and every foreign stock rose in proportion.

By May, 1835, the market became overloaded; all were sellers; the price drooped; and on the 21st the

panic commenced. Spanish stock fell at once 16 per cent.; the scrip went to 3 discount; and the lower the price, the more anxious were the holders to sell. Every one grew alarmed; and those who had bought as a permanent investment parted with all their interest. Private gentlemen, who had been tempted to buy, hurried with heavy hearts to their brokers; and the Stock Exchange may be said to have groaned beneath the burden.

To add to the distress, the greatest holder turned bear; and it is difficult to describe the confusion with which the market closed on the evening of the 21st of May. Some were rejoicing at their deliverance, though suffering a large loss, while others were absolutely ruined. In many panics there had been hope. They were known to be alarms which time would rectify; but there was no hope for the holder of foreign stock: it was worthless; and it was known to be worthless. Every one felt assured that no dividend would ever be paid upon it; and when this was remembered, men cursed the fatuity which had led them to buy waste paper; and execrated the greed which had lured them to ruin. Those who the week before possessed securities which would have realized hundreds of thou-

sands, were reduced to bankruptcy. Brokers who had kept to their legitimate business were defaulters; most who had bought for time were unable to pay their differences; while respectable men, who had laughed at speculation, and thought themselves too clever to be taken in by companies, had ventured their all on the faith of foreign governments. Establishments were reduced; families were ruined; delicately nurtured women were compelled to earn their bread. Death ensued to some from the shock; misery was the lot of others, and frantic confusion once more marked the alleys and the neighbourhood of Capel Court. Consternation reigned paramount; and almost every third man was a defaulter. All foreign securities were without a price; the bankers refused to advance money; the brokers' cheques were first doubted and then rejected; nothing but bank notes would be taken; and, with a desperation which will never be forgotten, the jobbers closed their books, refused to transact any business, and waited the result in almost abject despair. The stocks bore no price; the brokers ceased to issue their lists; and the black board was found inadequate to contain the names. Differences to the amount of ten millions were declared;

and the entire wall would have been insufficient to contain the names. The practice was therefore dispensed with, and an additional time allowed to settle the accounts.

To mitigate the evil, the principal holders of foreign securities formed themselves into a society to purchase all stock below 40; but it was found inadequate to meet the catastrophe in the house, while out of it the excitement in Spanish, Portuguese, and other foreign funds created evils which never met the public eye, but which are yet felt by innumerable private families.

During this period, the Royal Exchange, previous to the assembling of the merchants, witnessed a curious scene, and beheld a motley group of speculators, and, says Mr. Evans, in his work on the city, such was the rage for shares in companies which had arisen out of the general excitement, that the beadle was obliged to drive them away, as the frequenters of 'Change could not get to their places. In the height of this speculation, some of the dabblers made a price of one farthing per share on a railway now promising to be the first in the kingdom, but of which there were then no buyers.

With the above panic the present chronicle of the Stock Exchange closes. To have brought it to 1849 would have involved living men and their actions, and to some future historian must be left the many whose names assume so important a position in English financial history.

CHAPTER XVII.

LEGENDS OF THE STOCK EXCHANGE—MR. DUNBAR—DUKE OF NEWCASTLE—FRENCH AMBASSADOR—JAMES BOLLAND—EXTRAORDINARY INCIDENT—FORTUNATE ADVENTURE—MORALS AND MANNERS OF THE STOCK EXCHANGE—ITS CONSTITUTION, AND ARRANGEMENTS.

THE early part of the present chapter is devoted to anecdotes, which, though difficult to prove, yet bear in themselves every appearance of reality. Many legends are thus in the debateable ground between truth and fiction; and those which are selected are chosen from their resemblance to fact rather than from the actual knowledge of their veracity.

In 1761, Mr. Dunbar, a West Indian merchant, finding his affairs were less prosperous than usual, sought "the Alley," as it was then termed, to retrieve his failing fortunes. From some private information, he believed that he had good grounds for supposing a peace would soon be effected, and that the funds would rise. He therefore ordered his broker to

buy £100,000 for the account; told him the opinion he had formed, with the intelligence on which it was based; and the latter, in violation of his oath, jobbed extensively on his own account as well as for his client. February passed away without the expected peace, and Mr. Dunbar paid the difference. Confident in his views, he continued the operation; but each account-day proved that the price had been against him, and with great difficulty did he find money to pay the amounts due. In July, unable to pay cash, he gave notes of hand to the broker, who agreed to receive them. No objection being made, the account was continued on for August. In that month the prospect of peace revived; the funds rose; and Mr. Dunbar, seeing a chance of paying the greater part of his losses, went with all speed to 'Change Alley. His distress may be imagined, when he was coolly told that, since he had given notes of hand, no account had been opened, and no advantage could be reaped from the rise in price. The act of Sir John Barnard rendered any appeal to law useless; but, as Mr. Dunbar became a bankrupt, the members of the Stock Exchange subscribed to pay the amount claimed, in order that so flagrant a case might not become public.

One of the loans raised by the Duke of Newcastle, when prime minister, fell, from some unforeseen accident, to 3 per cent. discount. His grace, thinking he had made an unfair bargain, or fearing the jobbers would not lend to him again, convened a meeting of those who had taken it, who, as well as the Duke, were greatly frightened, not knowing what project to adopt. At length one of them—said to be Samson Gideon—desired the minister to walk with him into another room. There they remained for a few minutes, and then returned in high spirits, telling the others to go home and be perfectly easy, as care should be taken of their interest. Gideon went immediately to 'Change Alley; and, buying up the scrip as fast as it was offered, produced an immediate rise to 1 per cent. above par.

Gambling in the funds has not been confined to commoners; and the French ambassador at the Court of London was guilty of a deception which marks the name of the Count de Guise with infamy. Availing himself of his political position, he traded in English securities, and, by the aid of his secretaries, made large sums. While success attended the ambassador's operations, he received the profit, and rejoiced in his

good fortune; but when a long run of bad luck dissipated his gains, and made demands upon his purse, his excellency denied all knowledge of the transaction, refused to pay the balance, retired to France, and commenced a prosecution against his subordinates. But this was not sufficient to exonerate him with thinking people. A memorial was published by his secretaries; and the evidence they gave satisfied every impartial mind that the ambassador of the Most Christian King had abused his trust, duped his dependents, and defrauded the stockbroker.

About the middle of the eighteenth century, one of the constant dealers in 'Change Alley—although in a small way—was James Bolland; a man of low extraction, but of great mind, of immense impudence, and unrivalled crime. There was nothing at which he would hesitate to obtain money, to spend on the Stock Exchange; and, having once commenced, he soon found that the legitimate profits of his trade—that of a butcher—were not sufficient to support him. He formed, therefore, a wooden weight which, resembling one of fifty pounds, weighed only seven pounds; and, in his capacity of tradesman to St. Thomas's Hospital, employed his roguery with great success.

From butcher he turned sheriff's officer; revived every past iniquity, invented new frauds, and spent his money in buying lottery tickets, to which pursuit he was passionately attached. He robbed the broker whom he employed, alike of his mistress and his money; and with the latter bought the place of city marshal. The citizens, however, discovered that his character was scarcely equal to his impudence, and refused to maintain their bargain.

Every moment he could spare was passed on the Stock Exchange, where his pursuits were marked by a singularly bad fortune. Every speculation went against him; he never drew a prize in the lottery; and, finding there was a chance of his becoming penniless, he added forgery to his long list of crimes. The fraud was discovered; the penalty was paid at Tyburn; and James Bolland adds another to the many proofs of the truth of the old adage.

A century ago was the hanging century; and a great fraud was committed towards its close on the East India Company. The leading witness—the only man who could prove the guilt of the accused—was accustomed to visit a house in the neighbourhood of the Bank, to be dressed and powdered, according to

the fashion of the day. Shortly before the trial came on, a note was placed in his hands, informing him that the attorney for the prosecution was desirous of seeing him, at a certain hour, at his private residence, in or near Portland Place.

At the time appointed, the witness proceeded to the house; the door was opened, and the footman, without asking his name, ushered the visitor into a large room, where, discussing some wine upon the table, sat a group of gentlemen, in earnest conversation. "There is a mistake," exclaimed the new comer, thinking he had been shown into the wrong room. "No mistake, sir," interrupted one, in a determined tone, while the remainder sat quietly but sternly by. Unable to comprehend the scene, and in some alarm, the visitor prepared to leave the room. "There is no mistake," repeated the same person, unostentatiously stepping before the door; "I am," he continued, "brother to that gentleman who is to be tried for forgery, and against whom you are the chief witness. Without your evidence he cannot be convicted; the honour of a noble house is at stake; and your first attempt to escape will lead to a violent death. Three is nothing to fear, if you remain quiet; but all whom you see are sworn to

detain you until the trial be over, or," he added, after a pause, "to slay you." The witness was a sensible man; he saw the determined looks of those around, and thought it best quietly to acquiesce.

In the mean time, great surprise was excited in the city. That the missing man had been inveigled away was universally believed; and every endeavour was made to track him. Whether the calmness with which he bore his confinement deceived his gaolers, is not known; but it is certain that he effected his escape from the house, although not so securely but that his captors were after him before he could get out of sight. A mob collected; his pursuers declared he was an insane nobleman, and that they were his keepers. The mob shouted with delight at the idea of a mad lord; and the unfortunate man was on the point of being again confined, when a chariot drove up. The inmate, a lady, desired the coachman to stop, and listened to the counter-statements of the pursued and his pursuers. Remembering the current story of a missing witness, she opened the carriage, he sprung in, the door was closed, and the lady, to whom he told his story, ordered her coachman to drive with all speed to the Old Bailey. It was the last day; the

case, which had been postponed, was being tried; and the missing witness was just in time to place the rope around the neck of the unhappy forger.

In the memorable year 1815, a member of the Stock Exchange found that, notwithstanding all his exertions to save his credit, his name stood every chance of gracing that black board on which so many appeared during the eventful period. Melancholy and meditating he wandered forth, scarcely knowing the direction which he took, until from London bridge he gazed gloomily upon the "dark flowing river," half doubting whether its depths would not be his best abiding place. In this mood he was hastily greeted by a voice he knew; and, turning round, was rapidly informed of news which at once turned his thoughts back to that world he had felt inclined to quit. The stranger had just arrived from the spot where the great battle of modern history had been fought; and the ruined jobber became the depositary of a secret which at once restored his spirits. Hastily learning all the particulars which might affect him, he retraced his steps, found the price unaltered, and the news, therefore, unknown. Without hesitation, he made large purchases of stock. All that was to be

procured he bought; and, as the secret which had that morning sent him gloomily away was not even guessed, he was able to purchase very largely. He availed himself of his opportunity; and ere long had cause to congratulate himself on his good fortune, as, when the news arrived, the price rose sufficiently to clear all his difficulties, and leave him a profit of £20,000.

The morals and the manners of the Stock Exchange are difficult to treat. Morals too often fade before money making; and manners are regarded as unnecessary in the same eager pursuit. Nor is Capel Court an exception. When the fate of a jobber depends on the turn which the market may take—when sorrow or success hangs upon a word—when family, friends, and fortune are in the balance, and a rumoured falsehood may sink or save—it is not in humanity to resist the temptation; and it has, unhappily, become too general a practice to stop at no invention, and to hesitate at no assertion which may assist the inventor. From this cause, the Stock Exchange is rarely mentioned with that respect which it merits, as the theatre of the most extensive money transactions in the world. Public opinion punishes the many for the few. The

great mass of its members have not power to disseminate an untruth: the brokers, bound not to speculate on their own account, have no interest in doing so; the small jobber cannot influence the price; many are too high-minded to avail themselves of dishonourable methods; and it is, therefore, to a particular class that the Stock Exchange owes its false report, its flying rumours, and its unenviable notoriety. Capel Court is, indeed, a complete anomaly. There are men of high character and station in its body; there is every endeavour made by its executive to abolish all which tends to make it despicable; the greatness of its dealings are unequalled; some of its members are members of the senate; others are honourable in spite of the temptations which surround them; it is consulted by chancellors, and taken into the councils of ministers; peace or war hang upon its fiat; and yet the Stock Exchange is seldom named, out of the city, but with contempt; and a Stock Exchange man is, like the monied man in the early reign of William, despised by the landed, and looked down upon by the mercantile, aristocracy. One reason, perhaps, for this is, that the great mass of their transactions are without the pale

of the law. All their time-bargains—and the Stock Exchange might close to-morrow, if these were abolished—are illegal. They are, strictly speaking, gambling dealings, which our judicature refuses to recognise; and the dealers are gamblers, whom the legislature will not acknowledge.

The tricks which are resorted to are numerous. The penniless speculator can enter into transactions which may retrieve his fortunes, or consolidate his ruin. It is said to be a not uncommon trick for two persons to agree together in the following manner:—One buys and the other sells for the account to the largest amount for which each can procure credit. One must lose, and the other must gain. One becomes a millionaire, the other a defaulter. The former receives a large amount, the latter is declared on the black board. A division of the spoils is afterwards privately effected; and the gainer pursues his avocation in the funds, while the loser becomes a prosperous gentleman.

The public cannot be too decidedly warned against the dangers to which they may be exposed in legitimate transactions. On one occasion, a merchant having requested his broker to purchase a certain

amount of stock, and having concluded the business, was surprised in the evening to hear his broker announced as a visitor. Some remark being made, the latter stated that a dispute had arisen with the jobber about the price which was in the receipt, and he should he glad to take it with him as an evidence of his correctness. Knowing that a stock receipt is in itself of no value, the buyer readily complied. His visitor thanked him, and from that moment was never heard of. The receipt was false, the names were forged; and, secure in the possession of all evidence against him, the broker sought a foreign land in which to enjoy his unrighteous gains.

If the morals of the Stock Exchange be as described, its manners are as curious. It is not long since the papers reported a limb broken in sport. The writer has perused in the journals occasional duels which have arisen from the "fun" of the members; and the courtesies of life are wanting, if a stranger ventures among them. When this is the case, instead of the bearing of gentlemen, the first discoverer of the intruder cries out "Fourteen hundred fives!" and a hundred voices re-echo the cry. Youth or age is equally disregarded; and the following description of

what occurred to an unhappy visitor, will attest the truth of that which has been asserted:—

"Not long ago, a friend of my own, ignorant of the rule so rigidly enforced for the expulsion of strangers, chanced to drop in, as he phrased it, to the Stock Exchange. He walked about for nearly a minute without being discovered to be an intruder, indulging in surprise at finding that the greatest uproar and frolic prevailed in a place in which he expected there would be nothing but order and decorum. All at once, a person who had just concluded a hasty but severe scrutiny of his features, sent out at the full stretch of his voice—"Fourteen hundred." Then a bevy of the gentlemen of the house surrounded him —"Will you purchase any new navy five per cent. sir," said one, eagerly, looking him in the face. "I am not,"—the stranger was about to say he was not going to purchase stock of any kind, but was prevented finishing his sentence by his hat being, through a powerful application of some one's hand to its crown, not only forced over his eyes, but over his mouth also. Before he had time to recover from the stupefaction into which the suddenness and violence of the eclipse threw him, he was seized by the shoulders and

wheeled about as if he had been a revolving machine. He was then pushed about from one person to another, as if he had only been the effigy of some human being, instead of a human being himself. After tossing and hustling him about in the roughest possible manner, denuding his coat of one of its tails, and tearing into fragments other parts of his wardrobe, they carried him to the door, where, after depositing him on his feet, they left him to recover his lost senses at his leisure."

In a graphic picture of the Stock Exchange, drawn by one who had every opportunity of testing its truth, the following will confirm the above description, and affords an interesting evidence of the civilization of the Stock Exchange in 1828 :—

"I turned to the right, and found myself in a spacious apartment, which was nearly filled with persons more respectable in appearance than the crew I had left at the door. Curious to see all that was to be seen, I began to scrutinize the place and the society into which I had intruded. But I was prevented from indulging the reflections which began to suggest themselves, by the conduct of those about me. A curly-haired Jew, with a face as yellow as a

guinea, stopped plump before me, fixed his black round leering eyes full on me, and exclaimed without the slightest anxiety about my hearing him. "So help me Got, Mo, who is he!" Instead of replying in a straitforward way, Mo raised his voice as loud as he could, and shouted with might and main—"Fourteen hundred new fives!" A hundred voices repeated the mysterious exclamation. "Fourteen hundred new fives!" "Where, where—fourteen hundred new fives —now for a look; where is he—Go it, go it!" were the cries raised on all sides by the crowd, which rallied about my person like a swarm of bees. And then Mo, by way of proceeding to business, repeating the war cry, staggered sideways against me, so as almost to knock me down. My fall, however, was happily prevented by the kindness of a brawny Scotchman, who humanely calling out, "Let the mon alone," was so good as to stay me in my course with his shoulder, and even to send me back towards Mo, with such violence, that had he not been supported by a string of his friends, he must infallibly have fallen before me. Being thus backed, however, he was enabled to withstand the shock, and to give me a new impulse in the direction of the Scotchman, who,

awaiting my return, treated me with another hoist as before, and I found these two worthies were likely to amuse themselves with me as with a shuttlecock, for the next quarter of an hour. I struggled violently to extricate myself from this unpleasant situation, and, by aiming a blow at the Jew, induced Moses to give up his next hit, and to allow me for a moment to regain my feet."

The rash step which I had taken was likely to produce very formidable consequences. All present were highly exasperated. The war became more desperate than ever. Each individual seemed anxious to contribute to my destruction; and some of their number considerately called out,—

"Spare his life, but break his limbs."

My alarm was extreme; and I looked anxiously round for the means of escape.

"You ought to be ashamed of yourself to use the gentleman in that sort of way," squeaked a small imp-like person, affecting sympathy, and then trying to renew the sport.

"How would you like it yourself," cried another, "if you were a stranger?" shaking his sandy locks with a knowing look, and knocking off my hat as he spoke.

I made a desperate blow at this offender. It did not take effect from the expedition with which he retreated, and I had prudence enough to reflect that it would be better to recover my hat than to pursue the enemy. Turning round, I saw my unfortunate beaver, or "canister," as it was called by the gentry who had it in their keeping, bounding backwards and forwards between the Caledonian and his clan, and the Jew and his tribe.

Covered with perspiration, foaming with rage, and almost expiring from heat and exhaustion, I at last succeeded. I did not dare to reinstate it, but was forced to grasp it with both hands, in order to save what remained of it. I baffled several desperate snatches, one of which carried away the lining, and was now trying to keep the enemy at bay, afraid again to attack the host opposed to me, but not knowing how to retreat, when a person who had not previously made himself conspicuous, approached and interfered, "Really, you had better go out;" at the same time pointing to a door I had not seen before.

Comment is unnecessary; and, however, the practice may be repudiated by the members when out of the house, there are few who would not, in it, act in a similar disreputable mode.

The constitution of the Stock Exchange is simple. Governed by a committee of twenty-eight, with a chairman and deputy-chairman, annually elected by the members, their power to expel, suspend, or reprimand is absolute; their decision final; and that decision, adds one of the rules, "must be carried out forthwith." In cases of expulsion, the committee should not consist of less than twelve; and of these, at least two-thirds must concur in the sentence. No bill or discount broker, no clerk in any public or private establishment—excepting those to the members of the Stock Exchange—no one in business, either in his own name or in that of his wife, can be received as member. Every applicant must be recommended by three members of two years' standing, who must each give security for £300 for two years. The committee meets every alternate Monday, at one o'clock; but a special meeting may at any time be called by the chairman and deputy-chairman, or by any five members. Brokers and jobbers, or dealers, as they are politely termed, are not allowed to enter into partnership; and, when a defaulter is excluded, his clerk is excluded with him.

Directly the books are closed at the Bank of

England, the price of stocks, excepting only Bank stock, is quoted without the dividend.

When a defaulter, or one who cannot or will not pay the just claims on him, is posted, a libel is avoided by the following words: "Any person transacting business with A. B., is requested to communicate with C. D."

The rules of the Stock Exchange amount in number to 159, and are calculated to meet every difficulty. The charge to the public for buying and selling English stock is 2s. 6d. per cent.; and the following, taken from the third edition of Mr. Robinson's valuable "Share Tables," is the commission on shares:

	s.	d.	
Under the value of £5	1	3	
Amounting in value to £5, and under £20 . .	2	6	
Ditto ditto £20, and under £50 .	5	0	
Ditto ditto £50, and above . .	10	0	per cent.

The terms used on the Stock Exchange have been in vogue for more than a century; and the origin of many may be traced to the early transactions in the stock of the East India Company. Buying for the account has been described; but "bull," and "bear," "backardation," and "continuation," are understood only by the initiated.

"Bull" is a term applied to those who contract to buy any quantity of government securities, without the intention or ability to pay for it; and who are obliged, therefore, to sell it again, either at a profit or loss, before the time at which they have contracted to take it.

"Bear" is a term applied to a person who has agreed to sell any quantity of the public funds, of which he is not possessed, being, however, obliged to deliver it against a certain time.

"Lame Duck" is applied to those who refuse, or are unable to fulfil the contracts into which they have entered.

"Backardation" is a consideration given to keep back the delivery of stock, when the price is lower for time than for money.

"Continuation" is a premium given when the price of funds in which a person has a jobbing account open is higher for time than for money, and the settling day is arrived, so that the stock must be taken at a disadvantage. In this case a per centage is paid, to put off the settlement, and continue the account open.

"Jobber" is applied to those who accommodate buyers and sellers of stock with any quantity they

require. The dealer or jobber's profit is generally one-eighth per cent.

The "Broker" is the person employed by the public to sell or purchase stock, at a certain per centage.

"Omnium" is a term used to express the aggregate value of the different stocks in which a loan is usually funded.

"Scrip" is embryo stock, before the whole of the instalments are paid.

CHAPTER XVIII.

LIFE ASSURANCE—ITS BENEFITS—ITS COMMENCEMENT—SUICIDE OF AN INSURER—INSURANCE OF INVALID LIVES—THE GRESHAM—SKETCH OF THE WEST MIDDLESEX DELUSION.

THE day on which the first life assurance office was established is worthy of remembrance by the great mass of the middle class. Faulty in construction, and erroneous in detail, it was the enunciation of a great principle—the birth of a great blessing. Innovations were not made in the eighteenth, any more than in the nineteenth century, however, without opposition, and when, in 1706, the Amicable commenced business, prophets were plentiful in declaring it must fail; while others announced that it would open the door to gambling, and was flying in the face of Providence. But the excellence of the principle triumphed; and, although one uniform rate prevailed for the sick and for the sound, for the old and for the young, the Amicable succeeded. The pale face of the invalid

was no objection; the purple hue of him who fared sumptuously was no preventive. The man on the brink of the grave, and the youth on the verge of manhood, paid the same premium; and for £5 per cent. per annum, and £7 10s. per cent. entrance money, every one was enabled to insure his life. Such was the primitive plan of the first life association.

The London Assurance and Royal Exchange corporations followed, in 1720. In 1762, the Equitable was established; and, although a trifling progress was made, the clumsy plan of equal payments, without reference to years, was perpetuated, and 5 per cent. paid by all. When, however, the rates were varied in proportion to age—when sick men were rejected, and only the healthy taken—a step was made in the right direction; and life assurance began to flourish with a vigour which astonished even its promoters.

It is believed that England is the only state in which the insurance of lives has never been prohibited. The Dutch, a commercial people, refused to legalize it until a recent period; and in France it was long deemed unlawful, "because it is an offence against public decency, to set a price upon the life of a freeman, which is above all valuation."

Another great objection was the fear that individuals might destroy themselves to enrich their families; and though this exaggerated view of the case is provided for in modern policies, yet the following anecdote will prove that the fear was not altogether groundless: So early as the middle of the 18th century, the clause which excluded the representatives of suicides from a participation in the amount insured, excited attention; and an office was established, which, for a corresponding increase of premium, paid the amount to the relatives of the self murderer. One man, deeply in debt, wishing to pay his creditors, and not knowing how, went to the office, insured his life, and invited the insurers to dine with him at a tavern, where several other persons were present. After dinner he rose, and addressing the former, said, "Gentlemen, it is fitting you should know the company you have met. These are my tradesmen, whom I could not pay without your assistance. I am greatly obliged to you; and now—" without another word he bowed, pulled out a pistol, and shot himself.

The number of insurances was, at first, necessarily very limited; the mode in which the directors trans-

acted business, the premiums they required, the determination to take none but lives which were almost faultless, the pernicious plan of occasionally resisting the payment of policies, the absence of much opposition, all tended to reduce the business. When, however, the capital of the country increased, and men looked earnestly about them for new modes of investment, the profits and the principles of life assurance were anxiously investigated, its demands inquired into, its difficulties overcome; and though from 1706 to 1806 nine offices had been found sufficient, yet from 1806 to 1846 the desire spread so rapidly, that no less than one hundred and eleven were established. In 1820 there were only twenty offices in the United Kingdom; in 1830 their number was exactly doubled; in 1840, they had again doubled; and from 1840 to 1845, they increased in the same proportion.

The success which has attended these companies has induced capitalists to invest their money in similar schemes; and the result has been, that during every period of excitement new associations have been started, with new claims to patronage. Those claims were put prominently forward to

benefit themselves; and life assurance companies cannot greatly benefit their promoters without benefitting others. The constant advertisements, the names of their directors, the statement of their terms, the peculiarity of their constitution, pressed upon general attention, the public mind gradually became possessed with the idea that life insurances were for every class, and business increased. Every objection was met, every demand grappled with; and there is now, probably, not a man in London who cannot, in a smaller or greater degree, provide for those he may leave behind. The principal offices were proprietary; and the entire gain went to the shareholder. But the insurers began to see that the profits made by a corporation might as well be made by themselves; and companies which joined the proprietary with the participating principle followed. Another movement was that which divided the entire profits among the assured, reducing the premium as the company prospered; and so thoroughly is the value of life understood, that a society, commencing on this plan, with fair premiums and fair management, is as safe as a company with a capital of half a million.

But there were other difficulties to be met, as a pernicious plan obtained of disputing the payment of policies when the life fell in, on trivial and often unjustifiable grounds; the advantages of the system being greatly reduced owing to the desire for gain of the proprietary offices. To meet this, a society is now established, termed the Indisputable, which holds the policy inviolable when once granted.

There still remained one class for whom life assurances were unavailing. The anxiety for profits of the companies, the determination to divide good dividends, the extreme desire to take none but unexceptionable lives, produced an evil, at first view, irremediable. The stringent regulations, the declarations required, the personal examination, and the private inquiry, produced an unhappy effect. Average lives were declined, and for him whose health was not perfect, there was no chance. The healthy but nervous man, whose pulse, when examined, beat like a steam engine, was very often refused; and stories of rejected applicants, which speak volumes, are prevalent. One gentleman was declined because he was deaf, as he ran more risk of being run over.

Another was refused because he had been three times bankrupt, and his system might have suffered. A third was too full of health, and might die of apoplexy. A fourth was deficient, and might die of decline. The old companies were absolutely determined to take no life but what was unexceptionable. The consequence was, that men in rude, robust health, if blind in one eye, or deaf with one ear, were often rejected; and there are innumerable instances of the refused party living to a good old age; while cases are not wanting, in which, after outliving doctor, actuary, and half the board of directors, the very man who thirty years before was refused at any price, was gladly taken by the same company at the ordinary premium.

The possessor of sound health, who has provided for his family, cannot comprehend the misery occasioned to the invalid by the conviction that his application will be rejected; and in a country where men labour long in an impure atmosphere, there are too many whose lives are early damaged. To these, every allusion to life assurance was an agony; and it is difficult to enter thoroughly into the distress of him, who knew he would die penniless,

when a sudden sickness possessed him. Unnerved both mentally and physically, he saw his last hour approach. Loathing the trifling luxuries which sustained him, because they would impoverish his family; dreading the footsteps of the physician, as he thought of his fee; the love of his wife was no comfort, the voices of his children no pleasure; for he knew that his death would leave them to public or private charity. Such was the position of the individual rejected by a life office.

But even this want has been responded to. Many offices now profess to take invalid lives at an increased premium; and two are really devoted to this particular risk. The Invalid and Medical Life Assurance Company first began, and was successful; and the Gresham, lately established, has proved that the class for which it is specially intended is numerous. Much may depend upon the judgment of the medical officer; but so great is the anxiety to insure, that the premium is of less importance to the insured than in ordinary cases, and the office is able to protect its interest. The idea has been supported and approved by actuaries generally. The success of the Gresham is a proof of its merit. Every man

of feeling must cordially agreein the principle; and the speech of Mr. Marshall, cashier to the Bank of England, is one of many proofs that the insurance companies, a quarter of a century ago, were ignorant of their own interests.*

"I myself," said that gentleman, "fell under the class of declined lives, and for the whole of my life have been deprived of the advantages which are offered by life assurances. One-and-thirty years ago, I had the misfortune to break a blood-vessel in my lungs, and had I proposed to any office, that fact, as an honest man, I must have stated, and that statement would have caused my rejection. From that time to this I have enjoyed perfect health, and I stand before you this evening, a strong and healthy man, a living example of the value of this society, and I present to you a fact, to show that this is likely to be a profitable investment."

* The writer can add his personal testimony to the necessity of some such office. Twenty years ago he suffered similarly to Mr. Marshall, and has since been debarred from the benefit of life assurance, although in possession of good average health. There are a thousand other cases; and the fact that the Gresham gradually increases in business, and has in the first year granted policies to the amount of £150,000, producing nearly £6,000 yearly, is very suggestive of the public requirements. The fact also, that in such a company, no death has occurred during the first twelve months, is honourable to the skill of its medical officer.

Another society deserves notice, from its admirable plan of uniting a benevolent principle with the benefit derivable from life assurance, and from its addressing a class, to the families of which life assurance is the only barrier against absolute poverty. That class has been hitherto but little thought of, though there is none on whom it would be better bestowed than on the clerks of England. Industrious, faithful, and intelligent, they are almost compelled, by virtue of their position, to maintain an appearance beyond their means. With incomes which just enable them to pay their debts, and which provide for no contingencies, they are to a great degree incapaciated from insuring their lives; and solacing themselves, therefore, with the idea that a small insurance would be of no avail, they feel that they cannot afford a great one. To this class, therefore, a society which specially provides for its wants, is a great benefit, and a kindly feeling between the clerk on the one side, and his superior on the other, is encouraged to the advantage of both, through the Provident Clerks' Mutual Life Assurance Association.

Many instances might be given of the value of this society; and the writer trusts that the few

lines in which he has honestly and earnestly indulged, for the sake of pointing attention to those offices which he deems deserving notice, may be regarded in the light in which they are written.

The cause of life assurance has occasionally received severe blows; and though, perhaps, less fraud has been attempted in these than in other companies, yet there is one instance of deception, so boldly planned and so successfully executed, as to stand out in strong relief in the history of life assurance.

About the year 1837, the provincial papers were filled with advertisements, drawing attention to the peculiar claims of the Independent West Middlesex Life and Fire Assurance Company. Its capital was stated to be one million; it was declared to be a legal corporation; and acts of parliament, dated from 1696, were boldly quoted. Cautiously did the promoters proceed in the metropolis, where they did not at first advertise, contenting themselves with establishing agencies in various parts of the country, and publishing advertisements in country papers. An imposing array of names as directors, declared to be of the first character and respectability, was promulgated; and when such names as Drummond and

Perkins appeared in the list, the uninitiated believed the one to be the great banker, and the other the rich brewer, bearing the same names. To add to the delusion, the Bank of England was advertised as their bankers; and when they opened handsome premises in London, Dublin, Edinburgh, and Glasgow, the minds of the many were thoroughly deluded. Some notion may be formed of their intention from the fact that they not only insured lives on smaller premiums than other offices, but gave larger annuities for smaller sums. According to their tables, a man of thirty, by paying £100, could obtain £8 yearly, and could insure his life at £1 15s.* per cent.; thus making a clear interest of £6 5s. per annum.

The deed of the company—for, strange to say, it had a deed—was signed by any one who chose; and the law stationer applied indiscriminately to all who came near him. Any one who asked for a situation was made a governor. A schoolmaster who requested a clerkship was made a director. An errandman was employed as manager. A boy of sixteen was appointed to a seat at the board. One director had been tapman to a London tavern; another had been dismissed from his employ as a journeyman bell-

hanger; a third had been a gentleman's servant: all had orders to dress well, to place rings on their fingers, and adorn their persons with jewellery; fines being instituted if they omitted to wear the ornaments provided.

The advertisements which blazoned the pretensions of the company—the puffing to which they resorted—the declaration that they had taken £40,000 in one year—together with the terms they offered—attracted that numerous class determined to get everything cheap. Premiums to a large amount were procured by them, and they prospered.

The attention of the established assurance offices had long been drawn to these transactions; and it was known that a great crash must one day come: but they had not sufficient courage to declare the iniquity. It was left, therefore, to individual energy to expose their doings, and to individual resources to support the consequences. In March, 1839, Mr. Peter Mackenzie, editor and proprietor of the *Scotch Reformers' Gazette*, having investigated the question, and made careful inquiries which satisfied him of the nature of the company, commenced a series of articles in that paper, warning the public against transacting

business with them. The task was difficult and dangerous; but it was boldly met, and skilfully supported. The following extracts from the journal of Mr. Mackenzie will show the earnest spirit in which he grappled with his task:—

"In a word, we raise our voice and warn the public to beware of this so-called Independent West Middlesex Insurance Company." "It is a false and fictitious company." "No better than a parcel of tricksters in London, disowned, repudiated, or condemned by every respectable person." "Will the mere statement of a parcel of swindlers in their own favour entitle them to public favour, or secure public confidence?" "Nor shall we rest contented till we chase them out of every town and city in her majesty's dominions, or till they are fairly seized by the strong arm of justice." "We defy the confederated band of swindlers, from the highest to the lowest."

The wild fury of Mr. Mackenzie's opponents may be conceived. They declared him to be a false and malicious calumniator. They published counter-statements; assumed the aspect of injured and of innocent men, and instituted separate actions against him for £12,000 damages. One of the agents had been in

London, and had the audacity to state, on his return, that the deputy-governor of the Bank of England had personally assured him of the respectability of the association. Mr. Mackenzie, however, procured and published a denial from that gentleman; and this increased the hatred of the accomplices. Two thousand pounds were placed at the disposal of their law agents, to destroy Mr. Mackenzie, who appears to have been one of those not easily moved from a righteous purpose. He continued his articles —he continued to warn the public; and though, when the actions brought against him in 1839 were dismissed in 1840, they raised new suits, he persisted in his bold defiance, and did not hesitate one moment in the task he had undertaken. They could not, however, long conceal their practices; and one fine morning, the entire gang absconded, taking with them from the premises every article of furniture, after having realized, in four years, a booty of two hundred and fifty thousand pounds.

The distress which pervaded the middle and the lower classes of society was great. Applications to magistrates were frequent. Aged men who had invested their all, went to the workhouse; servants

who had bought annuities with the savings of a life were obliged to commence anew. Parents who imagined they had provided for their children were half broken-hearted. Day by day brought some new case, and day by day evinced the importance of being contented with a fair and legitimate per centage.

There is no knowing to what extent the evil might have reached had not the boldness of Mr. Mackenzie induced him to attack the Independent West Middlesex Company. The longer such an association lasts, the more numerous are its constituents; and to the above gentleman the thanks of the entire country are due, for performing at a personal risk, and at a personal sacrifice of £700, a great public service.

The following extract from a letter, evincing the amenity of disposition and choice of language of the person who conducted the delusion, may prove an interesting close to the above narrative:—

"Thou art a scoundrel and thy son no better. I give you and your lying rascal of a —— notice that if you or he should dare to publish any slander relative to my character, I shall instruct my solicitor to prosecute you—perjured scoundrel. You base wretch, swear against your own hand-writing! What! swear you never borrowed any money of me for the office. Oh, wicked wretch! I have your signature, and my solicitor has seen it. Base—base—base—base. Hang thyself with thy friend!

P. S. I have heard you have again plundered the office. Oh! how many times, you wretch.

APPENDIX.

THE

ANATOMY

OF

EXCHANGE ALLEY;

OR,

A SYSTEM OF STOCK JOBBING.

PROVING THAT SCANDALOUS TRADE, AS IT IS NOW CARRIED ON, TO BE KNAVISH IN ITS PRIVATE PRACTICE, AND TREASON IN ITS PUBLIC.*

THE general cry against stock-jobbing has been such, and people have been so long, and so justly complaining of it as a public nuisance; and which is still worse, have complained so long without a remedy, that the jobbers, hardened in crime, are at last come to exceed all bounds, and now, if ever, sleeping justice will awake, and take some notice of them, and if it should not now, yet the diligent creatures are so steady to themselves, that they will, some time or other, make it absolutely necessary to the government to demolish them.

I know they upon all occasions laugh at the suggestion, and have the pride to think it impracticable to restrain them; and one of the top of the function the other day, when I casually told him, that if they went on, they would make it absolutely necessary to the legislature to suppress them, returned, that he believed it was as absolutely necessary for them to do it now, as ever it could be. But how will they do it? It is impossible, said he, but if the government takes credit, their funds should come to market; and while there is a market we will buy and sell; there is no effectual way

* The above tract appeared in 1719.

in the world, says he, to suppress us but this, *viz.* That the government should first pay all the public debts, redeem all the funds, and dissolve all the charters, *viz.*, Bank, South Sea, and East India, and buy nothing upon trust, and then, indeed, says he, they need not hang the stock-jobbers, for they will be apt to hang themselves.

I must confess, I in part agree that this is an effectual way, but I am far from thinking it the only way to deal with a consideration of usurers, who having sold the whole nation to usury, keep the purse-strings of poor and rich in their hands, which they open and shut as they please.

But before I come to the needful ways for restraining those people, I think it will be of some service to expose their practices to common view, that the people may see a little what kind of dealers they are.

And first, they have this peculiar to them, and in which they out-do all the particular pieces of public knavery that ever I met with in the world, *viz.*, that they have nothing to say for it themselves; they have, indeed, a particular stock of hard-ware, as the braziers call it, in their faces, to bear them out in it; but if you talk to them of their occupation, there is not a man but will own, it is a complete system of knavery; that it is a trade founded in fraud, born of deceit, and nourished by trick, cheat, wheedle, forgeries, falsehoods, and all sorts of delusions; coining false news, this way good, that way bad; whispering imaginary terrors, frights, hopes, expectations, and then preying upon the weakness of those, whose imaginations they have wrought upon, whom they have either elevated or depressed. If they meet with a cull, a young dealer that has money to lay out, they catch him at the door, whisper to him, Sir, here is a great piece of news, it is not yet public, it is worth a thousand guineas but to mention it: I am heartily glad I met you, but it must be as secret as the black side of your soul, for they know nothing of it yet in the coffee-house; if they should, stock would rise ten per cent. in a moment, and I warrant you South Sea will be 130 in a week's time, after it is known. Well, says the weak creature, pr'ythee dear Tom, what is it? Well, really sir, I will let you into the secret, upon your honour to keep it till you hear it from other hands; why, it is this,—The Pretender is certainly taken, and is carried prisoner to the

castle of Milan, there they have him fast; I assure you, the government had an express of it from my Lord St——s, within this hour. Are you sure of it, says the fish, who jumps eagerly into the net. Sure of it! why, if you take your coach and go up to the secretaries' office, you may be satisfied of it yourself, and be down again in two hours, and in the mean time, I will be doing something, though it is but little, till you return.

Away goes the gudgeon with his head full of wildfire, and a squib in his brain, and coming to the place, meets a croney at the door, who ignorantly confirms the report, and so sets fire to the mine; for, indeed, the cheat came too far to be balked at home; so that without giving himself time to consider, he hurries back full of the delusions, dreaming of nothing but of getting a hundred thousand pounds, or purchase two; and even this money was to be gotten only upon the views of his being before-hand with other people.

In this elevation he meets his broker, who throws more fire-works into the mine, and blows him up to so fierce an inflammation, that he employs him instantly to take guineas to accept stock of any kind, and almost at any price; for the news being now public, the artist made their price upon him. In a word, having accepted them for fifty thousand pounds more than he is able to pay, the jobber has got an estate, the broker two or three hundred guineas, and the esquire remains at leisure to sell his coach and horses, his fine seat and rich furniture, to make good the deficiency of his bear-skins, and, at last, when all will not go through it, he must give them a brush for the rest.

There are who tell us, that the Exchange Alley improvements made upon the news of the Pretender's being taken, were part of the plot, that the late Earl of Mar having concerted the voyage of Vogbera, and how and in what manner the report of the Pretender's being there should spread, who it should amuse, and how at one blow it should spread east to Vienna, and north-west to Paris, and so on; forgot not to contrive it, as at once should serve political ends in Italy and at Vienna: so on the other hand, it should not fail to serve a private view in Exchange Alley, and at the same time that he deceived some of the Whigs who he owed a large grudge to for shrewd turns at Preston and Dumblain, he might also

raise a tax upon them towards the incident changes of his wandering circumstances.

I do not aver this story to be true, but the concert is so exact, and the nature of it so agreeable to the stock-jobbing art, nay, and to the artists also, whose correspondents are very punctual, especially since it is said, that Mr. T——'s chief agent was formerly my Mord M——r's broker; that I won't affirm it may be true; but this I will venture to say of it, that if we are often served thus, the Pretender may very easily raise a hundred thousand pounds a year in Exchange Alley, for the carrying on an invasion, and lay the tax wholly upon his enemies the Whigs, which, by the way, I leave them to consider of.

But now that I may make good the charge, *viz*, that the whole art and mystery is a mere original system of cheat and delusion; I must let you see, too, that this part of the comedy may be very well called, "A Bite for the Biter;" for which I must go back to the broker and his gudgeon. The moneyed gentleman finding himself let into the secret indeed, and that he was bitten to the tune of £300,000 worse than nothing. After he had unhappily paid as far as his ready money would go, of which piece of honesty they say he has heartily repented, and is in hopes all that come after him will forgive him for the sake of what followed, stopt short, as he might well, you'll say, when his money was all gone, and bethinks himself, What am I doing! I have paid away all this money like a fool; I was drawn in like an ass, by the eager desire of biting my neighbours to a vast sum, and I have been fool enough in that, but I have been ten thousand times a worse fool, to pay a groat of the money, especially since I knew I could not pay it all: besides, who but I would have forgot the nature of the thing I was dealing in, and of the people I was dealing with; why, is it not all a mere body of knavery? is not the whole system of stock-jobbing a science of fraud? and are not all the dealers original thieves and pick-pockets? nay, do they not own it themselves? Have not I heard T. W., B. O., and F. S., a thousand times say they know their employment was a branch of highway robbing, and only differed in two things; first, in degree, *viz.*, that it was ten thousand times worse, more remorseless, more void of humanity, done without necessity, and committed upon fathers,

brothers, widows, orphans, and intimate friends; in all which cases, highwaymen, generally touched with remorse, and affected with principles of humanity and generosity, stopped short and chose to prey upon strangers only. Secondly, in danger, *viz.*, that these rob securely; the other, with the utmost risk that the highwayman run, at the hazard of their lives, being sure to be hanged first or last, whereas these rob only at the hazard of their reputation, which is generally lost before they begin, and of their souls, which trifle is not worth the mentioning. Have not I, I say, heard my broker, Mr. —— say all this and much more, "That no man was obliged to make good any of their Exchange Alley bargains unless he pleased, and unless he was to haste to part with his money, which, indeed, I am not: and have not all the brokers and jobbers, when they have been bitten too hard, said the same thing, and refused to to pay?

"Pray, how much did old Cudworth, Ph. C—p—m, and Mr. G—g, eminent jobbers, monarchs in their days of Exchange Alley, break for?—and how much did they ever pay? One, if I mistake not, compounded at last for one penny per pound, and the other two for something less.

"In a word, they are all a gang of rogues and cheats, and I'll pay none of them. Besides, my lawyer, Sir Thomas Subtle, tells me there is not a man of them dares sue me; *no, though I had no protection to fly to;* and he states the case thus:—

"'You have, sir,' says Subtle, 'contracted to accept of stock at a high price; East India at 220, Bank at 160, South Sea 120, and the like. Very well; they come to put it upon you, the stock being since fallen; tell them you cannot take it yet: if they urge your contract, and demand when you will take it, tell them you will take it when you think fit.

"'If they swagger, call names,—as rogue, cheat, and the like,—tell them, as to that, you are all of a fraternity; there is no great matter in it whether you cheat them, or they cheat you; 'tis as it happens in the way of trade; that it all belongs to the craft; and, as the devil's broker, Whiston, said to parson Giffard, tell them you are all of a trade. If they rage, and tell you the devil will have you, and such as that, tell them they should let the devil and you alone to agree about that, it is none of their business: but when he comes for you, tell them you would advise them to keep

out of the way, or get a protection, as you have against them.

" 'After this, it is supposed they will sue you at law. Then leave it to me: I'll hang them up for a year or two in our courts; and if ever in that time the stock comes up to the price, we will tender the money in court, demand the stock, and saddle the charges of the suit upon them: let them avoid it if they can.'

" This is my lawyer's opinion," says he to himself, " and I'll follow it to a tittle; and so we are told he has: and I do not hear that one stock-jobber has begun to sue him yet, or intends it; nor indeed dare they do it."

This experiment, indeed, may teach understanding to every honest man that falls into the clutches of these merciless men called stock-jobbers; and I give the world this notice, that in short, not one of their Exchange-Alley bargains need be otherwise than thus complied with. And, let these buyers of bear-skins remember it, not a man of them dare go to common law to recover the conditions; nor is any man obliged, further than he thinks himself obliged in principle, to make good one of his bargains with them. How far principle will carry any man to be just to a common cheat, that has drawn him into a snare, I do not indeed know; but I cannot suppose it will go a very great length, where there is so clear, so plain, and so legal a door to get out at.

It must be confessed, that if the projected story of the taking of the Pretender was acted in concert between Rome and Exchange Alley, between my lord Mar and a certain broker, as fame reports, either the broker is the devil of a Jacobite, or my lord the devil of a broker. It must be acknowledged it was a far-fetched trick, and answered the end in Exchange most admirably.

Nor can all the world tell us any other end that it could answer; for as to the pretences of deluding the imperialists on shore, or the British men-of-war at sea, and so the better to facilitate the escape of the Pretender to Spain, I undertake to prove that this is absurd and ridiculous, for the Pretender was embarked at Netunna, and gone away to sea thirteen days at least before this whim of people taken at Voghera was talked of.

As to the amusements among the Courts at Vienna, Paris,

and London, they amounted to nothing at all, answered no end—neither prompted any design on one hand, or hindered anything on the other. In a word, we may challenge the world to tell us any one turn that was served by it, or end answered by it, but this in Exchange Alley.

Nor was this so inconsiderable a design as not to be worth while to form such a juggle, though a great way off; and, as far off as it is, if we may believe the report of those who remember the machines and contrivances of that original of stock-jobbing, Sir F— C—. There are those who tell us letters have been ordered, by private management, to be written from the East Indies, with an account of the loss of ships which have been arrived there, and the arrival of ships lost; of war with the Great Mogul, when they have been in perfect tranquillity; and of peace with the Great Mogul, when he was come down against the factory of Bengal with one hundred thousand men—just as it was thought proper to calculate those rumours for the raising and falling of the stock, and when it was for his purpose to buy cheap, or sell dear.

It would be endless to give an account of the subtleties of that capital ch—t, when he had a design to bite the whole Exchange. As he was the leading hand to the market, so he kept it in his power to set the price to all the dealers. The subject then was chiefly the East India stock, though there were other stocks on foot, too, though since sunk to nothing; such as the Hudson's Bay Company, the Linen Manufacture stock, Paper stock, Saltpetre stock, and others, all at this day worse than nothing, though some of them then jobbed up to 350 per cent., as the two first in particular.

But the East India stock was the main point. Every man's eye, when he came to market, was upon the broker's who acted for Sir F——. Does Sir F—— sell or buy? If Sir F—— had a mind to buy, the first thing he did was to commission his brokers to look sour, shake their heads, suggest bad news from India; and at the bottom it followed, "I have commission from Sir F—— to sell out whatever I can," and perhaps they would actually sell ten, perhaps twenty thousand pounds. Immediately the Exchange (for they were not then come to the Alley) was full of sellers; nobody would buy a shilling; till perhaps the stock would

fall six, seven, eight, ten, per cent., sometimes more. Then the cunning jobber had another set of men employed on purpose to buy, but with privacy and caution, all the stock they could lay their hands on; till, by selling ten thousand pounds at 4 or 5 per cent. loss, he would buy a hundred thousand pounds stock at 10 or 12 per cent. under price; and, in a few weeks, by just the contrary method, set them all buying, and then sell them their own stock again at 10 or 12 per cent. profit.

These honest methods laid the foundation, we will not say of a fine great stone house, on a certain forest; but it certainly laid the foundation of an opulent family, and initiated the crowds of jobbers in that dexterity in tricking and cheating one another, which to this day they are the greatest proficients that this part of the world ever saw.

By this exactly concerted intelligence, he then knew how to turn the wages (a sort of jobbing then in mode, and which grew so infamous that they were at length obliged to suppress it by act of parliament) which way he pleased; and by which he got an immense sum of money. How often did the gentleman run down true news as if it had been false, and run up false news as if it had been true, by the force of his foreign intelligencers!—how often coin reports of great actions, to serve a turn! It is too late a trick to be forgot by many that were bit by it to the bone.

In a word, they putting false news upon us is nothing but an old trade revived; though, it must be confessed, this of the Pretender has been a master-piece; and the worthy projector who has the credit of it must pass for a dexterous manager as any the university of Exchange Alley has bred up for thirty years past.

It had also one particular in it for which it was very remarkable. Sham reports, false news, foreign letters, &c., are things that have been often trumped upon us, as above, and the town have been not long ago cheated to a good round sum that way; but then they have been soon detected —the morning news has been set to rights in the afternoon, or the evening's heat has cooled by morning. But this trick had a fatal duration, for it held us near a fortnight in a firm persuasion of the thing; and even then it continued but suspected only for some time longer, and was yet longer before

it was fully detected; and even at last it was hardly conquered till the Jacobites laughed us out of it, and the Pretender was looked for nearer home.

The assurance with which it was carried about the several places from whence it was written, made it so effectually be swallowed down, that really people saw no room to question the truth of it for a great while. It was written from Rome, from Leghorn, from Genea, from Turin, and from Paris. Nay, it was even believed at Court; and almost everywhere else.

Exquisite fraud! Who could have believed that this had been born in Exchange Alley, sent over to Rome, agreed to there, and executed in such a manner as to cheat, not the town only, but all Europe.

The authority that every one found attended the report, supported it so that it possessed us all; even those whose concern for the fact extorted tears from them, were not undeceived. Thus the hucksters had time to play their game, and they made hay while the sun shone; for, if we may believe common fame, bargains, contracts, and agreements for stocks, bear-skins included, amounted in that time to some hundred thousands of pounds—nay, some say to two millions and better, most of which was to the loss of the believing party.

But what tricking, what fraud, what laying plots as deep as hell, and as far as the ends of the earth, is here! What cheating of fathers, and mothers, and brothers, gulling widows, orphans, cozening the most wary, and plundering the unwary! And how much meaner robberies than these bring the friendless even to the gallows every sessions!

But I must not stop here. The story of the Pretender is over: that trump is played; and the artful gamester is wanting a new trick, after having played so many already that one would think invention was at an end: yet they have found it out, and we are just let into the secret.

Hitherto craft and knavery appears to be their method; but we shall trace them now a little further; and, like true hussars, who plunder not the enemy only, but their own army, as the opportunity presents, so these men are now come to prey upon the government itself.

Let us look into the late lotteries; had not a piercing eye

detected the roguery, and not the fall of other things taken off the edge of the people's fancy for venturing. These artists have brought up the tickets to sixteen shillings a piece, advance, even before the act was passed. That this could not be but by securing the possession of all the tickets in their own hands, except such select tickets as were not to come to market, I say this could not be but by connivance, and this every one knows; and that this connivance again could not be but by some higher people than those that were named to it: this, also, every one may know. Who they were is none of my business to inquire; though it is easy to guess. It is very hard when our statesmen come into a confederacy to bite the people, and when dukes turn stock-jobbers. Yet that this was done, is most certain; and what was this but making a property of the power that might be in their hands, the better to bite the people? For if the parliament appointed £500,000 in tickets, to be given out at a certain rate that was low and reasonable, was it not to encourage the people, on whom the rest of the national burthen lies? And if, by the craft and knavery of jobbers, the people are made to pay £600,000 for them, which is much about the case, pray why not pay the hundred thousand pounds to the public, either to off pay a hundred thousand pounds of debt, or to make the burthen of the current year a hundred thousand pounds lighter?—of which, I am sure, there is need enough.

It has been indeed our happiness, that a worthy member being informed of this abominable cheat, detected it, and laid it before the house; upon which a vote was passed to make void all bargains made for tickets before the act was past; so the biters were bitten; and a certain Sir George —— was obliged to refund; but the roguery of the design was never a jot the less for that.

But the fatal influences of this growing evil does not end here, and I must trace stock-jobbing now to its new acquired capacity of intermeddling with the public, assisting rebellion, encouraging invasion; and if I do not bring the stock-jobbers, even the Whigs among them, to be guilty of treason against their king and country, and that of the worst kind too, then I do nothing.

Had the stock-jobbers been all Jacobites by profession, or

had the employment led them by the necessity of their business to put king and nation, and particularly their own, to bargain and sale; and had the feeling of news been their property, and they had an act of parliament, or patent, to entitle them to the sole privilege of imposing what false things they pleased on the people, I should have had much the less reason to have complained of their roguery, and have rather turned myself to the rest of them people, who are the subject they work upon, and only have stood at Exchange Alley end, and cried out, "Gentlemen, have a care of your pockets."

Again, had it been a private club, or society of men, acting one among another, had the cheats, the frauds, and the tricks they made use of, in which the English rogue was a fool to them, being practised upon themselves only; and, like gamesters at a public board, they had only played with those that came there to play with them; in this case also I should have held my tongue, and only put them in mind of an old song; every stanza of which chimed in with Tantararara, Rogues all, rogues all.

But when we find this trade become a political vice, a public crime, and that, as it is now carried on, it appears dangerous to the public, that whenever any wickedness is in hand, any mischief by the worst of the nation's enemies upon the wheel, the stock-jobbers are naturally made assistant to it, that they become abettors of treason, assistant to rebellion and invasion, then it is certainly tim to speak, for the very employment becomes a crime, and we are obliged to expose a sort of men, who are more dangerous than a whole nation of enemies abroad, an evil more formidable than the pestilence, and in their practice more fatal to the public than an invasion of Spaniards.

It is said by some, that the principal leaders in the jobbing trade at that time, and to whom most part of the satire in this work ought to be pointed, are Whigs, members of parliament, and friends to the government; and that, therefore, I had best have a care of what I say of them.

My first answer is,—So I will. I will have a care of them, and in the next place let them have a care of me; for if I should speak the whole truth of some of them, they might be Whigs; but I dare say, they would be neither P— men, or friends to the government very long, and it is very hard his

majesty should not be told what kind of friends to him such men are.

Besides, I deny the fact; these men friends to the government! *Jesu Maria!* The government may be friendly to them in a manner they do not deserve; but as to their being friends to the government, that is no more possible than the Cardinal Alberoni, or the Chevalier de St. George are friends to the government; and, therefore, without reflecting upon persons, naming names, or the like—there will be no need of names, the dress will describe them—I lay down this new-fashioned proposition, or postulatum, take it which way you please, that I will make it out by the consequences of what I am going to say.

1st.—That stock-jobbing, as it is now practised, and as is generally understood by the word stock-jobbing, is neither less or more than high-treason in its very nature, and in its consequences.

2nd.—That the stock-jobbers, who are guilty of the practices I am going to detect, are eventually traitors to King George, and to his government, family and interest, and to their country, and deserve to be used at least as confederates with traitors, when ever there are any alarms of invasions, rebellions, or any secret practices against the government, of what kind soever.

This is a black charge, and boldly laid, and ought therefore to be effectually made out, which shall be the work of a few pages in the following sheets.

1st.—I lay down this as a rule, which I appeal to the laws of reason to support, that all those people, who at a time of public danger, whether of treasonable invasion from abroad, or traitorous attempts to raise insurrections at home, shall willingly and wittingly abet, assist, or encourage the traitors invading or rebelling, are equally guilty of treason.

2nd.—All those who shall endeavour to weaken, disappoint and disable the government in their preparations, or discourage the people in their assisting the government to oppose the rebels or invaders, are guilty of treason.

All that can be alleged in contradiction to this, and perhaps that could not be made out neither, is, that they are not traitors within the letter of the law; to which I answer, if they were, I should not satirise them, but impeach them. But

if it appears that they are as effectually destructive to the peace and safety of the government, and of the king's person and family, as if they were in open war with his power, I do the same thing, and fully answer the end proposed.

As there are many thieves besides house-breakers, high-way-men, lifters and pick-pockets, so there are many traitors, besides rebels and invaders, and, perhaps, of a much worse kind; for in a dispute between a certain lord and a woman of pleasure in the town, about the different virtue of the sexes, the lady insisted that the men were aggressors in the vice, and that in plain English, if there were no whore-masters, there would be no whores; so, in a word, if there were no parties at home, no disaffection, no traitors among ourselves, there would be no invasions from abroad.

Now, I will suppose for the purpose only, that the people I am speaking of were not disaffected to the government; I mean, not originally, and intentionally pointing their design at the government; nay, that they are hearty Whigs, call them as we please; yet if it appear they are hearty knaves too, will do anything for money, and are, by the necessity of their business oblig'd, or by the vehement pursuit of their interest, that is to say, of their profits, push'd upon things as effectually ruinous and destructive to the government, as the very buying arms and ammunition by a protest Jacobite, in order to rebellion could be, are they not traitors even in spite of principle, in spite of the name of Whig; nay, in spite of a thousand meritorious things that might otherwise be said of them, or done of them?

A gun-smith makes ten thousand firelocks in the Minories, the honest man may be a Whig, he designs to sell them to the government to lay up in the tower, or to kill Spaniards, or any of the rest of the king's enemies; a merchant comes and buys some of them, and says they are for the West Indies or to sell into France. But upon inquiry, it appears they are bought for rebellion; the undesigning gun-smith comes into trouble of course, and it will be very hard for him to prove the negative,—That when he has furnish'd the rebels with arms, he had no share in the rebellion.

To bring this home to the case in view, who were the men, who in the late hurry of an expected invasion, sunk the price of stock 14 or 15 per cent? Who were the men that

made a run upon the Bank of England, and pusht at them with some particular pique too, if possible, to have run them down, and brought 'em to a stop of payment? And what was the consequences of these things? Will they tell us that running upon the Bank, and lowering the stocks, was no treason? We know that, literally speaking, those things are no treason. But is there not a plain constructive treason in the consequences of it? Is not a wilful running down the publick credit, at a time when the nation is threaten'd with an invasion from abroad, and rebellion at home? Is not this adding to the terror of the people? Is not this disabling the government, discouraging the king's friends, and a visible encouragement of the king's enemies? Is not all that is taken from the credit of the public, in such an occasion, added to the credit of the invasion? Does not every thing that weakens the government, strengthen its enemies? And is not every step that is taken in prejudice of the king's interest a step taken in aid of the design'd rebellion? The kindest thing that can be said of a certain triumvirate of jobbers, whose hands have been deepest in this part of the work, and who, indeed, had more obligations upon them than any other men in the town, to have assisted the publick interest, and advanced the credit of the nation is, that they did not think what they did, and that this excuse may not serve them another time, I may soon furnish them with an anatomy of some of the conduct of that little body of Number Three, that when they see their mistakes with the eyes that other men see them, they may at their leisure give a better turn to the measures of unbounded avarice.

I now that I may not be said to speak without a precedent, I humbly refer to those money'd gentleman to a case recent in memory, and even in their own, which tho' indeed they may think fit to have forgotten for a time, they will all call to mind when they hear of it again; and this was the case of two goldsmiths (knights also, and one of them member of parliament too) in Fleet Street, who push'd at the Bank of England at the time that the Pretender's invasion from France was in its preparation. One of them, it was said, had gathered a quantity of Bank bills to the value of near £100,000, and the other a great sum, tho' not so many, and it was said, resolv'd to demand them all at once.

Let the gentlemen I point at look back to the printed papers that year, let them enquire what construction was put upon it; let them enquire how the government resented it, how my lord treasurer Godolphin look'd upon it as a mine form'd to blow up the queen's affairs, and how, in a word, all the friends of the government took it so be such a step in favour of the Pretender, as was impossible to consist with duty to the queen.

Let them enquire further, with what difficulty Sir R—— Ho—— wip'd off the imputation of being a favourer of the rebellion, and how often, in vain, he protested, he did it with no such view, and how hard the Whigs were to believe him. Sir F—— C——d indeed carry'd it with a higher hand, and afterwards pretended to refuse the bills of the bank; but still declar'd he did it as a goldsmith, and as a piece of justice to himself in some points in which the bank had, as he alleged, us'd him ill. But in general, it was look'd upon as an open affront to the government, and an abetting and countenancing the invasion of the Pretender from abroad, and the rebellion intended at home. Nor was the government, much less were the authors of private papers and prints, wanting, in letting them know it; nay, if I am not misinform'd, they were threatened with being treated as enemies to the government, and if things had gone on to extremities, they had doubtless been mark'd out as persons the government were to take care of.

Now I only speak in plainer words; it was said then, that such men as endeavour'd to run down the publick credit, were enemies to the government. I know no distinction in the case, that should require so much tenderness; every subject of King George, who is at the same time an enemy to King George, is a traitor, and every overt-act of that enmity, it being his duty to his utmost to favour, aid and support the government, is an overt act of treason, let it be gilded over with what fine words the persons please, 'tis the same thing, if it is not literal treason, and within reach of the statute, yet the crime is in itself of the same nature.

And let any one tell me, what is the difference between two dealers in Paris credit in the time of a French invasion, and three dealers in paper credit in the time of a Spanish invasion, or what sanctity in Birchin Lane more than in

Fleet Street, that one should be a protection for the same practice that was resented so justly in another.

Were those stock-jobbers sincerely and heartily in the interest of King George and his government, as they pretend loudly, what run could there be upon the Bank, what ebb of credit, what sinking of stock. The honest Whiggs who were friends to the government at that time mention'd above, who not only knew their duty, but how to make it seasonable and useful, acted after another manner, when others run upon the Bank with all the fury possible, they carried all the money thither they could gather up: nay, I could name a man in this city, who having but £500 in the world, carried it all into the Bank to support the credit of the public; and the story being told to her majesty by the late lord treasurer Godolphin, the sense of such fidelity so moved the queen, that she sent him a hundred pounds as a gift, a royal token of her accepting such an act of loyalty; and caused my lord to give him an obligation from the treasury to repay him the whole £500 if any disaster to the bank should have made it doubtful.

Where's the like courage and conduct to be found now? Is it in being? Are the gentlemen less able? Or is it that they have not the same zeal for King George as that honest citizen had for the Queen? Or do they doubt the King being as sensible of the service? Or what is the matter that the publick credit had rather met with injurious juggling and jobbing upon it, than real support, either from Exchange Alley, Birchin Lane, or some other places less noted.

Let those men reflect a little upon the circumstances the public credit must have been in by such mismanagement, if the Spanish attempt had been made, and if these easterly Protestant winds had not chopped in, by which Providence has given the government time to put itself in a posture of defence, so as now not to be afraid of them; and if the capital stock of the persons interested in the funds, is now sunk a million in the real value of them as they stood before even at the market, which is nothing but what the matter of fact will justify, to what degree would the same current, if it had gone on, have sunk the estates of all the monied men in England?

In what manner would money have been raised upon a new credit for any immediate exigencies that might have

happened? And should the government have been supported,—nay, though the parliament had granted funds,—while these men had made all credit ebb, perhaps, to 25 or 30 per cent. discount? And is not this, then, a species of treason and rebellion?

It was very remarkable, that in the juncture of those things the Jacobites could not refrain taking notice how easy it was to set the citizens plundering the Bank, and even the exchequer too; for, had this gone on, the funds, which are in effect the exchequer itself, would have gone down hill hand-in-hand with the Bank; credit would have borne equal pace in one as well as in the other; and the government would no more have been able to borrow, than the Bank would have been able to pay.

It is scarce fit to enter into a description of all the mischievous consequences which necessarily follow running down the public credit, in case of such dangers as I have mentioned above: if I should fully describe them it would appear incredible. Every one will allow that this practice of the jobbers, carried on a little further, would indeed appear to be the worst kind of treason.

But it is needful, after having said thus much of the crime, to say something of the place, and then a little of the persons too. The centre of the jobbing is in the kingdom of Exchange Alley, and its adjacencies. The limits are easily surrounded in about a minute and a half, *viz.*, stepping out of Jonathan's into the Alley, you turn your face full south; moving on a few paces, and then turning due east, you advance to Garraway's; from thence going out at the other door, you go on still east into Birchin-lane; and then halting a little at the Sword-blade Bank, to do much mischief in fewest words, you immediately face to the north, enter Cornhill, visit two or three petty provinces there in your way west; and thus having boxed your compass, and sailed round the whole stock-jobbing globe, you turn into Jonathan's again; and so, as most of the great follies of life oblige us to do, you end just where you began.

But this is by way of digression: and even still, before I come to the main case, I am obliged to tell you that, though this is the sphere of the jobbers' motion, the orb to which they are confined, and out of which they cannot well act

in their way, yet it does not follow but that men of foreign situation (I mean foreign as to them—I do not mean foreign as to nation); nay, some whose lustre is said to be too bright for the hemisphere of a coffee-house, have yet their influence there, and act by substitutes and representatives: but first I must speak to originals.

C——, a man of brass sufficient for much more business than he can be trusted with, is said to manage for three blue ribbonds, and for four or five cash-keepers, who tell more money than their own: he fetches and carries with such indefatigable application, that he is said never to fail his appointments to a minute, however remote from one another. Wherever he appears, he makes an Exchange Alley in his person, and a court in his audience: he is himself a Jonathan's coffee-house in little; tho' he be at a cock-pit, he realizes Exchange Alley in every place; and yet he rather is directed than directs, and like a certain great general, famed for more fire than flegm, is fitter to drive than to lead.

S—— has twice the head, but not half the business as C—— is said to have, yet he gets more money for himself, and C—— gets more for other folks. S——is as cunning as C—— is bold, and the reserve of one with the openness of the other, makes a compleat Exchange Alley man. C—— jumps at every thing, and as he got the start of the world at his beginning, by venturing more than he was worth, so he deals now with all men as if they ventured more than they are worth. Originally he was a bite, which, in modern language is a sharper, or, being fully interpreted, may signify the head class of the fraternity call'd pick-pockets.

T——, a gamester of the same board, acts in concert with C—— and S——, and makes together a true triumvirate of modern thieving: he inherits the face of C——, with the craft of S——, but seems to take state upon him, and acts the reserv'd part more than either; yet even this too is all grimace, for where'er he can be sure to kill, he can't fawn like an Irishman.

They are all three of yesterday in their characters, yet they are old in their crime, *viz.*, of resolving to be rich at the price of every man they can bubble. Their first blow was aimed at the Bank, but there they were out-witted; and the great lord-treasurer Godolphin, in the late reign, gave them

their just characters from that action. The defeat they met with there, sticks so close to them, that they reserve the measures of their revenge, not to cool, no not till the charter of the Bank shall expire.

However, their wings being clipt by the clause then obtained in an act of Parliament—that no society, corporation, &c., should issue out bills of credit as a bank, but the Bank of England only; they were obliged ever since to turn stock-jobbers, or if we may speak properly of them, they are the stock-jobbers' masters; for they have so many bear-skins pawn'd to them at a time, so much stock deposited with them upon bottomrée, as it might be called, that indeed they may be call'd the city pawn-brokers: and I have been told, that they have had fifty stock-jobbers and brokers bound hand and foot, and laid in heaps at their doors at a time.

The next trick they try'd, and which was indeed the masterpiece of their knavery, was the getting an assignment of the forfeited estates in Ireland into their hands: indeed they began the world upon this prospect, and expected to have had the whole kingdom of Ireland mortgaged to them: but here too they were disappointed, and had they not found a man that had as much money as themselves, and more honesty, that bargain of the forfeited estates had been the last they had made in the world.

The endeavours they use to cheat that gentleman, after he had delivered them from a blow that would have blown them up, is another black part of their story that remains to be told, for the illustration of their character, at another time; but in the interim 'tis enough to say, that he who deliver'd them as fools, knew how to deliver himself from them as knaves; and so they were dropt out of the Irish bargain, to their great mortification.

Now they stand ready, as occasion offers, and profit presents, to stock-jobb the nation, cozen the Parliament, ruffle the Bank, run up and down stocks, and put the dice upon the whole town.

They had another flap with a Fox-tail, to the scandal of their politicks in the late vote about the tickets of the lottery which I mentioned above; what market they will make of it is well enough known: but the plot was never the less cunning, and 'tis certain the knavery is not the less visible for

the miscarriage. I come next to their more modern management.

Whenever they call in their money the stock-jobbers must sell; the bear-skin men must commute, and pay differences money; then down come the stocks, tumbling two or three per cent., then the tools must sell, and their masters buy; the next week they take in stocks again, then the jobbers buy, and the managers sell. Thus the jobbers bite their friends, and these men bite the jobbers, *qui sarpat sharpabitur* —Exchange Alley Latin: they that are let into the secret will understand it.

The truth is, it has been foretold by cunning men, who often see what can't be hid, that these men, by a mass of money which they command of other peoples, as well as their own, will, in time, ruin the jobbing-trade. But 'twill be only like a general visitation, where all distempers are swallowed up in the plague, like a common calamity, that makes enemies turn friends, and drowns lesser grievance in the general deluge. For if the reprisal trade should adjourn from Exchange Alley to Birchin Lane, it may seem to be like the banishing usury from the city of Rome, which transferr'd it to a Jew at Genoa, a monk at Naples, and a banker at Venice, who, it was said, had no less than seven and twenty principalities in Italy mortgag'd to them at a time, besides two kingdoms, seven dutchies, and the jewels of the crown of France.

Having thus given the blazing characters of three capital sharpers of Great Britain, knaves of lesser magnitude can have no room to shine; the Alley throngs with Jews, jobbers and brokers, their names are needless, their characters dirty as their employment; and the best thing that I can yet find to say of them is, that there happens to be two honest men among them—Heavens preserve their integrity; for the place is a snare, the employment itself fatal to principle, and hitherto the same observation which I think was very aptly made upon the Mint, will justly turn upon them,—that many an honest man has gone in to them, but cannot say that I ever knew one come an honest man out from them.

But to leave them a little, and turn our eyes another way; is it not surprising to find new faces among these scandalous people, and persons even too big even for our reproof? Is it

possible that stars of another latitude should appear in our hemisphere? Had it been Sims or Bowcher, or gamesters of the drawing-rooms or masquerades, there had been little to be said; or had the groom-porter's been transpos'd to Garraway's and Jonathan's, it had been nothing new; true gamesters being always ready to turn their hand to any play. But to see statesmen turn dealers, and men of honour stoop to the chicanery of jobbing; to see men at the offices in the morning, at the P—— house about noon, at the cabinet at night, and at Exchange Alley in the proper intervals, what new phœnomena are these? What fatal things may these shining planets (like the late great light), fore-tell to the state, and to the public; for when statesmen turn jobbers the state may be jobb'd.

It may be true, that a treasurer or cash-keeper may be trusted with more money than he is worth, and many times it is so; and if the man be honest, there may be no harm in it: but when a treasurer plays for more money than he is worth, they that trust him run a risque of their money, because, tho' he may be an honest man, he may be undone. I speak of private, not publick treasures.

Indeed it requires some apology to say such a one may be an honest man; it would be hard to call him an honest man who plays away any man's money that is not his own, or more than he is able to pay again with his own. But if it be dishonest to play it away, that is, lose it at play, 'tis equally dishonest to play with it, whether it be lost or no, because in such a case, he that plays for more than he can pay, his master runs the hazard more than himself; nay, his master runs an unequal hazard, for if the money be lost, 'tis the master's, if there is gain, 'tis the servant's.

Stock-jobbing is play; a box and dice may be less dangerous, the nature of them are alike, a hazard; and if they venture at either what is not their own, the knavery is the same. It is not necessary, any more than it is safe, to mention the persons I may think of in this remark; they who are the men will easily understand me.

In a word, I appeal to all the world, whether a man that is intrusted with other men's money (whether public or private is not the question), ought to be seen in Exchange Alley. Would it not be a sufficient objection to any gentleman or

merchant, not to employ any man to keep his cash, or look after his estate, to say of him he plays, he is a gamester, or he is given to gaming and stock-jobbing, which is still worse, gives the same, or a stronger ground of objection in like cases.

Again, are there fewer sharpers and setters in Exchange Alley than at the Groom Porters? Is there less cheating in stock-jobbing than at play? Or rather is there not fifty times more? An un-enter'd youth coming to deal in Exchange Alley, is immediately surrounded with bites, setters, pointers, and the worst set of cheats, just as a young country gentleman is with bauds, pimps, and spungers, when he first comes to town. It is ten thousand to one, when a forward young tradesman steps out of his shop into Exchange Alley, I say 'tis ten thousand to one but he is undone: if you see him once but enter the fatal door, never discount his bills afterwards, never trust him with goods at six months pay any more.

If it be thus dangerous to the mean, what is it to the great? I see only this difference, that in the first the danger is private, in the latter public.

It has not been many years since elections for members of ——— came to market in Exchange Alley, as current as lottery tickets now, and at a price like these, much above what any parliament allowed them to go at. While this was carry'd on, a great many honest men exclaim'd against it, and expos'd it; nay, several acts of parliament were propos'd for regulating elections, and preventing bribery and corruption: but all this would not do, and this indeed was one of the happy consequences of that otherwise necessary act for triennial parliaments; and I firmly believe that it is owing very much to the late suspending that act for a time, that these things are not come to market again.

It may easily be remember'd, that the first occasion of the Exhange Alley men engaging in the case of elections of members was in King William's time, on the famous disputes which happen'd between the Old East India Company and the New; which having held a great while, and having embarrass'd not the city only, but the whole nation, and even made itself dangerous to the publick business, it was expected it should be fully decided by the House of Commons: to this end the members of both companies, with all the trick, artifice, cun-

ning and corruption, that money and interest could arm them with, bestirred themselves to be chosen members.

Brokers rid night and day from one end of the kingdom to the other, to engage gentlemen to bribe corporations, to buy off competitors, and to manage the elections. You will see the state of things at that time, and the danger this stock-jobbing wickedness had brought the publick to, if you please to read the following exclamation of the honest freeholders at that time, which was presented to the publick by way of complaint: the thing was laid before the king first, and before the parliament afterwards; and it was his majesty's sense of the consequence, that made him resolve to bring the two East India Companies to unite their stocks; for in a word, the stock-jobbers embroil'd the whole nation.

There was a book publish'd some years ago, and when the stock-jobbing people were thought as willing, yet not quite so daring or so cunning as they are now; it was entitled, "The Villany of the Stock-jobbers." Indeed, it set them out in their true colours, and for some time gave them a little shock; for the truth was, they jobb'd King William and the government at that time at such a rate, that in spight of the invincible valour and resolution of the soldiery, in spight of the most glorious prince and most vigilant general the world had ever seen; yet the enemy gain'd upon us every year; the funds were run down, the credit jobb'd away in Exchange Alley, the king and his troops devoured by mechanicks, and sold to usury; tallies lay bundled up like Bath faggots in the hands of brokers and stock-jobbers; the parliament gave taxes, laid funds, but the loans were at the mercy of those men; and they shew'd their mercy, indeed, by devouring the king and the army, the parliament, and, indeed, the whole nation, bringing that great prince sometimes to that exigence, thro' unexpressible extortions that were put upon him, that he has even gone into the field without his equipage, nay, even without his army; the regiments have been unclothed when the king has been in the field, and the willing brave English spirit, eager to honour their country, and follow such a king, have marched even to battle, without either stockings or shoes, while his servants have been every day working in Exchange Alley, to get his own money of the stock-jobbers, even after all the horrible demands of discount

have been allowed; and, at last, scarce 50 per cent. of the money granted by parliament has come into the exchequer, and that late, too late for that service, and by driblets, till the king has been tir'd with the delay, and been even ready to give up the cause.

We have just now had a test of their cunning on the subject of the invasion. These were the men that made the first advantage of the news; immediately those that were to put stock upon any man at a high price, tender'd it, the accepters, forc'd by the demand, call in their money on their hand, pay the difference, the price falls, a general run upon the Bank follows, and stock-jobbing began it.

Say this was no design, yet if every alarm of the foolish or the timorous, or the false, is capable to set the humour afloat by the agency of Exchange Alley is as dangerous to the publick safety, as a magazine of gunpowder is to a populous city.

But if it be by design, then, whenever the Pretender is to be pawn'd upon us by any foreign power that can but talk of lending 5 or 6000 men, our publick credit is at his mercy, by the agency of Exchange Alley and the brokers.

The story of the invasion from Spain, we hope, is now over. Indeed, at the worst, I saw no such reason to be surprized to that degree, as was the case here. Let us look back and see what injury to the publick has the very rumour been? What damage to credit! What stop to trade! What interruption to our general commerce! besides sinking above a million sterling upon our estates; and every farthing of this is occasion'd by the stock-jobbers, and in the consequence of their contrivance, and by no other means; for as to the design of an invasion, or that they resolv'd to come hither at all, tho' we have evident proofs of that, because some of them have been actually landed; yet we cannot yet resolve the question positively, whether it was ever worth our being so much alarm'd, as we have been in Exchange Alley.

While these sheets were at the press, we had another little test of their knavery to the publick; and it is not at all owing to them, that the thing run no further; the contrary winds and storms, &c., had disappointed the king's enemies, and the Spanish fleet was driven back to Spain in a shatter'd and defeated condition, as appears by the publick account of those

things: but in the interval of this news, came an account on the other hand, that some of the party were arriv'd in Scotland, that they had beat it up, notwithstanding all the opposition of nature, the hindrances of winds and seas; immediately stocks fell 2 per cent., nor did the good news of the defeated return of the rest, animate these men to keep up the interest, by which it appears, that they are acted more by the bad principle than by the good; that they choose rather to do evil than to do good; that they sink faster than they rise, and are willinger to do harm than good to the government.

From whence I infer, that the government, looking upon them as they really are, rather enemies than friends to the general interest should rather incline to root them out, than preserve them. AMEN.

HIGHEST AND LOWEST PRICE OF 3 PER CENTS. IN EACH YEAR, FROM 1731 TO 1848.

	Highest.	Lowest.		Highest.	Lowest.
1731	99	94	1761	88	66
1732	101	96	1762	87	63
1733	103	92	1763	96	82
1734	94	90	1764	86	80
1735	98	92	1765	91	85
1736	113	100	1766	90	87
1737	107	105	1767	91	87
1738	106	102	1768	93	88
1739	105	97	1769	89	84
1740	101	98	1770	87	78
1741	101	98	1771	88	81
1742	102	98	1772	95	87
1743	103	100	1773	87	86
1744	99	90	1774	89	86
1745	92	85	1775	90	87
1746	89	75	1776	90	81
1747	86	81	1777	80	76
1748	91	76	1778	72	61
1749	102	91	1779	64	59
1750	101	98	1780	63	60
1751	103	97	1781	59	56
1752	106	101	1782	61	53
1753	106	104	1783	68	58
1754	104	102	1784	57	54
1755	101	90	1785	71	55
1756	90	88	1787	78	69
1757	91	86	1789	81¼	71⅝
1758	98	89	1790	80⅞	70½
1759	88	79	1791	89¾	75¾
1760	83	76	1792	97¼	72½

	Highest.	Lowest.		Highest.	Lowest.
1793	81 —	70⅓	1821	78¾—	68¾
1794	72⅜—	62¾	1822	83 —	75⅛
1795	70½—	61	1823	85¾—	72
1796	70⅝—	53¼	1824	96⅞—	84¾
1797	56½—	47⅓	1825	94¼—	75
1798	58 —	47¼	1826	84½—	73⅞
1799	69 —	52⅝	1827	89⅓—	76¾
1800	67¼—	60	1828	88⅜—	80⅞
1801	70 —	54¼	1829	94¼—	85⅝
1802	79 —	66	1830	94¼—	77½
1803	73 —	50¼	1831	84⅝—	74⅞
1804	58⅞—	53¾	1832	85¾—	81⅛
1805	62 —	57	1833	91¼—	84¼
1806	64⅝—	58½	1834	93 —	87½
1807	64⅜—	57⅝	1835	92⅞—	89¼
1808	69½—	62⅝	1836	92¼—	86⅝
1809	70⅜—	63⅛	1837	93⅞—	87⅞
1810	71 —	63¼	1838	95¼—	90⅝
1811	66¾—	61¾	1839	93⅞—	89¼
1812	63 —	55⅛	1840	93⅛—	85¾
1813	67½—	54½	1841	90½—	87¼
1814	72½—	61½	1842	95⅛—	88
1815	65¾—	53⅞	1843	97⅛—	92⅛
1816	64⅝—	59½	1844	101¼—	96½
1817	84¼—	62	1845	100⅝—	91⅞
1818	82 —	73	1846	97¾—	93¼
1819	79 —	64⅞	1847	94 —	78¾
1820	70¼—	65⅝			

LOANS RAISED SINCE 1793, WITH THE RATES OF INTEREST.

		PER CENT.	
1793	£ 4,500,000	£4 3	4
1794	11,000,000	4 10	9
1795	22,600,000	4 15	8
1796	18,000,000	4 14	9

1796	7,500,000	£4	12 2
1797	18,000,000	5	12 6
"	16,120,000	6	6 10
1798	17,000,000	6	4 9
1799	3,000,000	5	12 5
"	15,500,000	5	5 0
1800	20,500,000	4	12 2
1801	28,000,000	5	5 6
1802	25,000,000	3	19 2
1803	12,000,000	5	2 0
1804	14,500,000	5	9 2
1805	22,500,000	5	3 2
"	1,500,000	5	16 4
1806	20,000,000	4	19 7
1807	14,200,000	4	14 7
"	1,500,000	4	16 4
1808	10,500,000	4	14 6
1809	14,600,000	4	11 7
1810	13,400,000	4	4 2
1811	12,000,000	4	13 6
1812	22,500,000	5	5 7
1813	27,000,000	5	8 4½
"	22,000,000	5	6 2
1814	24,000,000	4	14 1
1815	36,000,000	5	12 4
1835	15,000,000	,,	,, ,,
1847	8,000,000	3	7 6

A LIST OF ACTS RELATIVE TO BROKERS.

13 Edward I.	Statute	5	Anno 1284
1 James I.	"	21	1604
8 & 9 William III.	"	32	1697 expired 1707
6 Anne	"	16	1707
10 "	"	19	1711
6 George I.	"	18	1720
3 George II.	"	31	1730—for Bristol
7 George II.	"	8	1739

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'A very comprehensive history of our commercial and monetary system, of which the Bank of England, for upwards of one hundred

and fifty years, has been so important a part; and though we easily gather from the general spirit of the work, that the author is not one of those who regard the Bank monopoly as having been detrimental to the interests of the country, he certainly has redeemed his pledge of not deviating from the truth to indulge in any disposition for unseasonable eulogy. With just so much prepossession in its favour as may be due to an earnest conviction of the public benefits to which it has been instrumental, he discusses the subject in all its parts with candour and calmness; and we can, therefore, confidently recommend it to the statesman, the political economist, and the merchant, as a valuable addition to the too scanty stock of information which we possess, on a subject of eminent importance." —*London Mercantile Gazette.*

"Although Mr. Francis carefully avoids throughout his work expressing an opinion excepting on matters of fact—such, for instance, as whether Sir Robert Peel did or did not originally hold out an expectation that the Bank might, on an emergency, be allowed to issue more than £14,000,000 on securities under the act of 1844—and although he carefully eschews all discussion upon controversial points, he frequently elucidates, with considerable effect, those more remarkable epochs in the history of the Bank, by which fundamental principles were first suggested, and antiquated errors are corrected."—*London Mercantile Journal,* (second notice.)

"Mr. Francis has aimed at giving a popular history of the Bank, while the statistical information contained, which has been gathered from sources not easily accessible, will be regarded as both curious and valuable by those who desire to investigate the more complicated questions connected with the currency. This portion of the work is relieved by matter of a more entertaining character, respecting celebrated forgeries and forgers, panics, runs upon the Bank, remarkable bubbles, such as that of the South Sea, disastrous speculations, anecdotes of particular persons, early money-lenders and their persecutions, the renewals of the Bank Charter, &c., All these various subjects are handled by Mr. Francis with marked ability, and related in a style at once vigorous and graceful. The industry, judgment, and good taste with which the author has accumulated, selected, and arranged his materials, are entitled to the most unqualified praise. As to a complete financial history of the Bank, it is obvious that no one could write such a history who had not free access to all the documents of that body, a privilege, we apprehend, which would be sought in vain by any one. In our judgment, Mr. Francis has done much better by giving us his account of its 'times and traditions,' facts and circumstances, which have never been before brought together. Our limits preclude us

from extracting so largely from the work, as its various interesting contents would enable us to do, but the following narrative will convey some notion of the talent which Mr. Francis has brought to his task.—*John Bull.*

"The work is more entertaining than might be expected from its title. It is a capital specimen of light reading on an apparently heavy subject; and even ladies who know nothing about any promissory notes, except those described by Sheridan as 'notes of hand,' will find some of its chapters more exciting than half the novels of the day. The facts collected are drawn together for the first time. The industry with which Mr. Francis has gathered these scattered particulars, and the skill with which he has arranged them, deserve high praise. To have rendered such matter amusing is not its only merit; he also makes it bear directly upon the working of our monetary institutions, showing how they have been affected at various periods by shocks from without, how their vitality has been fed and sustained, and through what perils they have protected and conducted the community. There is a large circle outside the city to whom this work will yield much curious matter for speculation. The Bank is a great mystery to the population at large, and it is well that somebody should clear it up. There is scarcely a single circumstance which exercised any influence upon public credit, that is not chronicled by Mr. Francis. All the runs upon the Bank are set forth in due season. All the bubble and El Dorado schemes, from the Mississippi scheme to the railway mania—all conspicuous forgeries, panics, failures, and riots, alterations in the currency, suspensions and resumptions of cash payments, bullion fluctuations, drains and issues, are depicted with royal amplitude. Sometimes we find ourselves engaged in an acute examination of a new charter; sometimes closeted in the Bank parlour in solemn consultation over the tightness of the market; and sometimes tracking, with stealthy steps and suspended breath, the flight of some great criminal who has just robbed the Bank, or forged a gross of notes. The variety of the contents is as undeniable as the cleverness with which they are served up."—*Atlas.*

"What more dignified subject for history, than banks and banking operations. So it seemed to Mr. Francis, who has written a very amusing book. He appears to be connected in some way with the great corporation, and familiar with all its practical workings and ways. He has treated his subject popularly. He has a clever knack at compiling, fits in his anecdotes very pleasantly, and writes with considerable ease and freedom of style. His opinions are liberal and intelligent."—*Examiner.*

"The volumes have a merit of their own: they are readable and

interesting. The story of the Bank, so far as charters and accounts go, may be found there, with facts, and facts of value, from being brought together. The author has also dug up many curious particulars of the early state of the Bank and its struggles, when goldsmiths presumed to rival it, and could even contemplate its ruin."—*Spectator.*

"Mr. Francis has put together in a clear, lucid, and expressive style a collection of facts, which, intimately connected as they are with the great principles which lie at the root of the science itself, will not fail to set many a thinking, it may be to aid them very materially, in arriving at sound and proper conclusions on the subject. He appears to have consulted all the authorities from whom any information could be derived in reference to the subject of which he treats. We can safely say of this work, that it is the most interesting and instructive history of a great public institution that has ever yet been published."—*Sunday Times.*

"We hasten to observe, that the 'History of the Bank,' is decidedly one of the most important works to which the press has lately given birth, and that its interest is equivalent to its value. It records not only the rise, progress, and transactions of the Bank, but likewise gives an account of all the great financial schemes and monetary convulsions which have at any time exercised an influence on the old lady of Threadneedle Street."—*Weekly Dispatch.*

"Mr. Francis appears to have set about his work in the right spirit of rendering his subject at once amusing and instructive. He has accordingly produced two volumes rife with sterling information. Miscellaneous as the contents of these volumes are, we feel that it was hard to avoid dryness in one class of details and gossipping in the other. These errors Mr. Francis has eschewed with rare judgment; hence his book is never tedious, but invariably entertaining, and communicative of acceptable information. We have left ourselves little room to speak of the internal economy of the Bank, and the progressive ingenuity by which its management has been reduced to almost unerring certainty. This portion of the work presents very superior claims to our admiration, more especially the internal alterations of the Bank between 1839 and 1845 of Mr. Ray Smee."—*Illustrated London News.*

"Considering that this establishment has now been in existence for a century and a-half, it is curious that its history was not written at an earlier date. Mr. Francis has undertaken to supply this deficiency, and has performed his task with ability. He has collected his materials with great industry, and displayed judgment in their classification. The style is clear and nervous, the narrative

runs smoothly, and the comments on the events and measures recorded are impartial and discriminating. These volumes have the merit of containing facts of enduring usefulness, which at any future date may be consulted with advantage. They will be permanently valuable for reference. Whatever relates to the direct or indirect action of the establishment in Threadneedle Street on the mercantile interests of the community are recorded in these volumes. A valuable and concise appendix closes the work."—*Douglas Jerrold's Weekly Newspaper.*

"Its character, as a book of interest, of instruction and amusement, of narrative and adventure, of skilful selection, wide gleaning, and light and pleasant chasing after the subjects of which it treats, it seems to us the model of a book on the popular side of a subject which has also its abstract and unpopular side. Mr. Francis has something for everybody's humour; and we may safely recommend the "History of the Bank of England" as more amusing than most of the novels of the day."—*Tablet.*

"The early history is traced with remarkable care and fidelity. Nor is its middle and later history less faithfully developed. The stirring periods from 1793 to the present time are described with a master hand, graphically, boldly, and impartially, in the true spirit of historical writing, whose aim is the enunciation of truth."—*London Mercury*—(first notice.)

"Mr. Francis, whose 'History of the Bank of England' is an indispensable acquisition to the library of the banker, merchant, and tradesman, and constitutes a desirable ornament to that of the nobleman and gentleman, will take the lead of those who have successfully cultivated commercial literature. An elaborate and able production, which we honestly recommend as an invaluable contribution to literature."—*London Mercury*—(second notice.)

"Considering the vast importance of the Bank of England. we are surprised that its authenticated history has not been published until now. The task, long desired, has been performed at last: its execution could not have fallen into better hands. Mr. Francis writes with great ability; his composition is correct; his style free, flowing, and forcible. He has produced two volumes replete with facts the most important to the political economist, the merchant, and the statesman, while, by blending a vast quantity of illustrative anecdotes with this, he shows that a work may amuse as well as instruct—that the romance of fact often exceeds that of fiction. We shall not follow Mr. Francis through his historical details. They are of great interest. Those who have read Cobbett's celebrated 'paper against gold,' in which he vilifies the Bank for its

suspension of cash payments in 1797, will be surprised to find how completely the assertions of that clever, unscrupulous writer are disproved by the plain narrative of facts which Mr. Francis has given. The length of our notice will show how highly we estimate this history. It cannot fail to become a standard work."—*Weekly Times.*

"In a most interesting 'History of the Bank of England,' by Mr. John Francis, there are many subjects for reflection, especially appropriate at the present time."—*Observer* (first notice).

"For one hundred and fifty years and upwards—years the most prosperous in the national annals—it has been the mainstay of the state in all financial operations, and yet there has been no regular history of the Bank of England. No publication could be better timed than this, therefore, appearing as it does at a moment when all eyes are directed towards that important establishment, some in anxious hopes, others in deep hatred. It is one of the most amusing, and certainly not the least interesting, works that have ever been given to the public. It would be unjust to the author, as well as to the matter of his book, not to recommend it for general perusal."—*Observer*—(second notice).

"We might quote many more anecdotes, but we have taken enough to show the peculiar nature of this History of the Bank. Mr. Francis has made a subject that is generally repulsively dry, a matter of light reading. Instead of long rows of figures, he gives us curious and interesting stories, gracefully told, and his book will be more extensively read than a mere political economical history."—*Economist.*

"The history is amusing. It is an agreeable, well-written book. It contains much curious matter worth preservation, and is a very readable and amusing performance."—*Britannia.*

"To Mr. Francis must be given the credit of laborious research. He has spared no exertion to gather from all available sources the facts that relate directly or remotely to the Bank of England and its history. We ask those who may have been misled by the clamours against the currency bill and the Bank parlour, to read his description of the panic of 1825."—*Critic.*

"Since many parties labour under the impression that the Bank of England has not been sufficiently liberal in affording assistance to houses in difficulties, we may quote from a most useful and entertaining work, a 'History of the Bank of England,' the following remarks.—*Sun.*

"The important truths revealed in this history, the interesting

and instructive anecdotes and facts it comprises, referring to the foundation, progress, and present condition of that vastest of monetary establishments, will assuredly ensure its possession not only by the mere peruser of general literature, but by those powerful sections of the community engaged in matters commercial and financial. Ample well-arranged appendices and index serve to complete this extremely interesting, clearly arranged, and impartially written History of the Bank of England."—*Commercial Magazine.*

"At a period when public attention is so anxiously directed to the condition and operations of the Bank, the appearance of the volumes before us is particularly opportune. They are replete with instruction and amusement."—*Manchester Guardian.*

"These goodly volumes of Mr. Francis are as pleasantly read as a romance, and may safely be recommended as full of amusement and interest. To the man of business they address themselves with special attractions, inasmuch as he will find in them the objects of his daily occupations and thoughts, connected with biography and anecdote, always amusing and sometimes very striking. Mr. Francis has executed his task well: he is a skilful and industrious compiler, and an animated and agreeable narrator.—*Manchester Examiner.*

"We venture to recommend this work as one of the most interesting and attractive that has issued from the press. Mr. Francis has contrived with praiseworthy industry and research, to gather a mass of matter at once instructive and entertaining. From the materials gleaned in a hundred nooks and corners, in highways and byeways, as well as in obscure places and seldom visited recesses, he has woven his web of history with great judgment and ability. The modest tone of the author induces us to say that we are glad the book has fallen into hands so competent to its due performance, as those of Mr. Francis, and we believe that every reader who peruses the work attentively will agree with us."—*Liverpool Albion.*

"Few works published during the last ten years have been equally calculated to convey information and afford amusement with the work before us. How it could possibly have occurred that the publication of the History of the Bank of England, so rich in modern historical associations, and so prolific of strange events and extraordinary and touching circumstances, should have been deferred till 1847, seems surprising to us. However, a work has been produced which will long preserve an eminent place in English literature, as a specimen of that patient industry in research, happy